

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF  
CUMBERLAND COUNTY BOARD OF  
VOCATIONAL EDUCATION  
BRIDGETON, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by  
Cumberland County Board of Vocational Education  
Finance Department**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OUTLINE OF CAFR**

**INTRODUCTORY SECTION**

	<u>Page</u>
Letter of Transmittal	
Roster of Officials	
Consultants and Advisors	
Organizational Chart	

**FINANCIAL SECTION**

<b>Independent Auditor's Report</b>	1-3
-------------------------------------	-----

**Required Supplementary Information - Part 1**

**Management's Discussion and Analysis**

**Basic Financial Statements**

A.	District/Charter School-Wide Financial Statements:	
	A-1 Statement of Net Position	4
	A-2 Statement of Activities	5
B.	Fund Financial Statements:	
	Governmental Funds:	
	B-1 Balance Sheet	6
	B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	7
	B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	8
	Proprietary Funds:	
	B-4 Statement of Net Position	9
	B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	10
	B-6 Statement of Cash Flows	11
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Position	12
	B-8 Statement of Changes in Fiduciary Net Position	13

<b>Notes to Financial Statements</b>	14-42
--------------------------------------	-------

**Required Supplementary Information – Part II**

C.	Budgetary Comparison Schedules:	
	C-1 Budgetary Comparison Schedule – General Fund	43-54
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
	C-1b Education Jobs Fund Program – Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule – Special Revenue Fund	55

**Notes to the Required Supplementary Information – Part II**

C-3	Budget-to-GAAP Reconciliations	56
-----	--------------------------------	----

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OUTLINE OF CAFR  
(Continued)**

		<u>Page</u>
<b>Required Supplementary Information – Part III</b>		
L.	Schedule Related to Accounting and Reporting for Pensions (GASB 68)	
L-1	Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	57
L-2	Schedule of District Contributions – PERS and TPAF	58
L-3	Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	59
<b>Notes to the Required Supplementary Information – Part III</b>		60
<b>Other Supplementary Information</b>		
D.	School Based Budget Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated By Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	61-62
E-2	Pre-School Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	63
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	64
F-2(a)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Roof and HVAC Repairs and Upgrades, Door, and Hardware Upgrades	65
F-2(b)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Water Well System	66
F-2(c)	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status–Budgetary Basis–New Cumberland County Technical Education Bldg.	67
G.	Proprietary Funds:	
Enterprise Fund:		
G-1	Combining Schedule of Net Position	68
G-2	Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	69
G-3	Combining Schedule of Cash Flows	70
Internal Service Fund:		
G-4	Combining Schedule of Net Position	71
G-5	Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	72
G-6	Combining Schedule of Cash Flows	73

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OUTLINE OF CAFR  
(Continued)**

	<u>Page</u>
H. Fiduciary Fund:	
H-1 Combining Statement of Fiduciary Net Position	74
H-2 Combining Statement of Changes in Fiduciary Net Position	75
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	76
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	77
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
 <b>Statistical Section</b>	
<b>Financial Trends</b>	
J-1 Net Position by Component	78
J-2 Changes in Net Position	79-80
J-3 Fund Balances – Governmental Funds	81
J-4 Changes in Fund Balances – Governmental Funds	82-83
J-5 General Fund Other Local Revenue by Source	84
 <b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers*	N/A
J-9 Property Tax Levies and Collections	85
 <b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	N/A
J-11 Ratios of Net General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A
 <b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	86
J-15 Principal Employers	N/A
 <b>Operating Information</b>	
J-16 Full-Time Equivalent District/Charter School Employees by Function/Program	87
J-17 Operating Statistics	88
J-18 School Building Information	89
J-19 Schedule of Required Maintenance Expenditures by School Facility	90
J-20 Insurance Schedule	91

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OUTLINE OF CAFR  
(Continued)**

Page

**SINGLE AUDIT SECTION**

K-1	Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	92-93
K-2	Report on Compliance For Each Major Program; Report on Internal Control Over Compliance	94-95
K-3	Schedule of Expenditures of Federal Awards, Schedule A	96
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	97-98
K-5	Notes to the Schedules of Awards and Financial Assistance	99-100
K-6	Schedule of Findings and Questioned Costs	101-102
K-7	Summary Schedule of Prior Audit Findings	103

## **INTRODUCTORY SECTION**

January 19, 2016

Honorable President and  
Members of the Board of Education  
Cumberland County Board of Vocational Education  
Cumberland County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Cumberland County Board of Vocational Education for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Cumberland County Board of Vocational Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Revisions of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with acceptable laws and regulations and findings and recommendations are included in the single audit section of this report.

1.) **REPORTING ENTITY AND ITS SERVICES**: Cumberland County Board of Vocational Education is a component of Cumberland County within the criteria adopted by GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Cumberland County Board of Vocational Education and all its schools constitute the District's reporting entity.

The district delivers a career and college readiness curriculum for secondary and adult students within the county. In addition, the district provides a special education program for students with mild to moderate cognitive disabilities (STRIVE) with a curriculum focused on occupational programs.

## CCTEC Enrollment History

YEAR	Bridgeton		CRHS		Millville		Vineland		Other		HSTOT	Adult	Total
	FT	ST	FT	ST	FT	ST	FT	ST	STRIVE	other			
05-06	13	33	8	95	11	136	3	275		11	585	200	785
06-07	5	54	8	107	17	109	2	297		9	608	198	806
07-08	5	68	7	70	5	96	6	242	9	13	521	244	765
08-09	5	46	8	77	8	107	6	192	9	7	465	195	660
09-10	7	73	5	105	8	125	7	235	9	8	582	340	922
10-11	9	71	6	129	8	140	5	290	9	7	674	291	965
11-12	10	57	7	132	8	90	4	234	13	47	602	179	781
12-13	10	79	7	130	13	91	3	248	7	52	640	155	795
13-14	9	85	5	124	15	100	4	301	8	42	693	105	798
14-15	8	81	9	112	20	91	3	270	15	37	646	103	749

- 2.) **ECONOMIC CONDITION AND OUTLOOK:** As CCTEC and the County Freeholders broke ground in 2014 for the new Full Time High School, 2015 brought the official start to the construction project and the recruitment for the first high school class.

We continue to see high enrollment in all Allied Health Programs including LPN, Dental and Certified Nurses' Aides. The County as a whole has seen significant investment by the medical community thereby creating these types of jobs.

- 3.) **MAJOR INITIATIVES:** CCTEC embarked on a number of educational and other initiatives during the fiscal year. They include:
- a. The continuation of partnerships with Cumberland County College, Rutgers University, and Ohio Technical College that enhance career pathways for all students.
  - b. The expansion of the Cumberland County Cooperative in providing shared service projects such as county-wide special education transportation, school bus driver training .
  - c. The continuation of STRIVE's extended year program with a strong On the Job Training Program as a major component of the curriculum.
  - d. The collaboration with CTE professionals to assist in the development of programming and staffing in preparation for the new, full time school.

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimate and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Cumberland County Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2014</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$4,054,554	44.21%	\$219,228	5.72%
State Sources	4,633,636	50.53%	114,426	2.53%
Federal Sources	482,443	5.62%	130,140	36.94%
<b>Total</b>	<b>\$9,170,633</b>	<b>100.00%</b>	<b>\$ 463,794</b>	<b>5.33%</b>

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2014</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$2,750,976	32.23%	\$ 73,851	2.76%
Undistributed Expenditures	5,000,884	58.59%	235,181	4.93%
Capital Outlay	203,575	2.39%	68,930	51.19%
Special Schools	580,139	6.80%	8,340	1.46%
<b>Total</b>	<b><u>\$8,535,574</u></b>	<b><u>100.00%</u></b>	<b><u>\$386,302.00</u></b>	<b><u>4.74%</u></b>

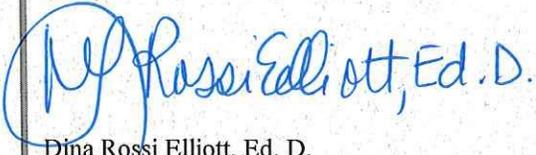
- 8) **DEBT ADMINISTRATION:** All bond indebtedness on behalf of the District is held by the Cumberland County Board of Chosen Freeholders.
- 9) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 10) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
- 11) **OTHER INFORMATION:**
- A) Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Triantos & Delp, CPA's LLC was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was also designed to meet the requirements of the Single Audit Act Revisions of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12) **ACKNOWLEDGEMENTS:**

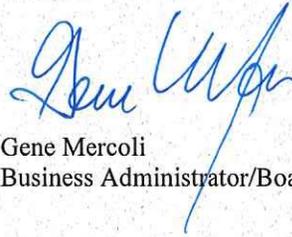
We would like to express our appreciation to the members of the Cumberland County Board of Vocational Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this

report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Dina Rossi Elliott, Ed. D.  
Superintendent



Gene Mercoli  
Business Administrator/Board Secretary

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**

**ROSTER OF OFFICIALS**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Daniel G. Vivarelli, Sr., President	2017
Carlos Villar, Vice President	2018
Ruth Hands	2015
Scott Groff	2016
Edward Lazarcheck	2017
Sheila McCann	2018
Peggy Nicolosi, Interim Executive County Superintendent	Permanent

**Other Officials**

Dina Rossi Elliott, Ed. D., Superintendent  
 Gene Mercoli, Board Secretary/Business Administrator  
 Mario Olsen, Assistant Superintendent  
 Megan Duffield, Assistant Business Administrator  
 Walter Pudelko, Treasurer

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**

**Consultants and Advisors**

**AUDIT FIRM**

Triantos & Delp, C.P.A.'s, LLC  
645 South Main Road  
Vineland, NJ 08360

**ARCHITECT**

Garrison Architects  
130 Presidential Blvd.  
Bala Cynwyd, PA 19004

**OFFICIAL DEPOSITORY**

Cape Bank  
Delsea Drive  
Vineland, NJ 08360

**BOARD SOLICITOR**

Mitchell H. Kizner, Esq.  
Flaster/Greenberg, P.C.  
Commerce Center, Third Floor  
1810 Chapel Avenue West  
Cherry Hill, NJ 08002-4609

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**

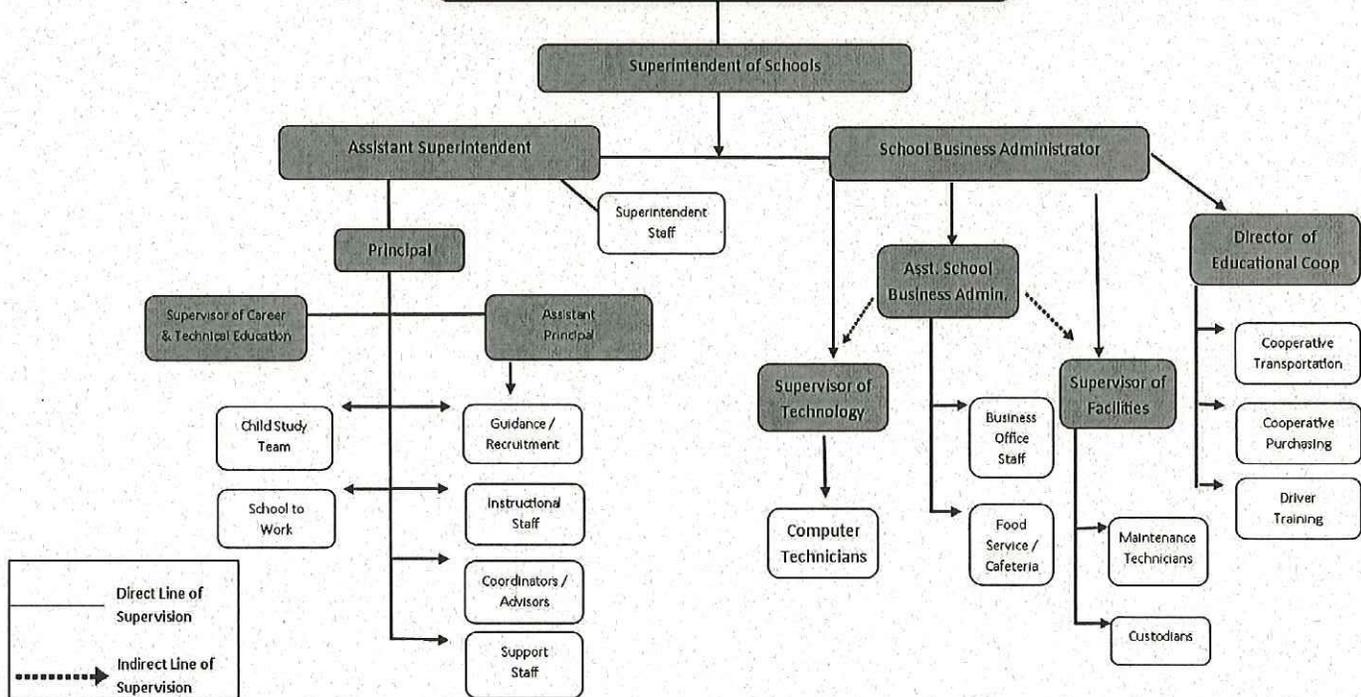
601 Bridgeton Avenue, Bridgeton, NJ 08302

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**Cumberland County Board of Vocational Education**  
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**Cumberland County Board of Vocational Education  
 Organization Chart**



## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Cumberland County Board of Vocational Education  
County of Cumberland, New Jersey

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cumberland County Board of Vocational Education in the County of Cumberland, in the State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cumberland County Board of Vocational Education in the County of Cumberland, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Change in Accounting Principle**

As described in Note 1 to the financial statements, in 2015, the Cumberland Regional Board of Education adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of Statement No. 27*. Our opinion is not modified with respect to this matter.

**Other Matters**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pension, and Notes to the Required Supplemental Information on pages 43 through 59 and 60 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cumberland County Board of Vocational Education's basic financial statements. The accompanying introductory information and other supplementary information such as the combining and individual fund financial statements, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and long-term debt schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying schedules of expenditures of federal awards and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal and state awards are fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2016 on our consideration of the Cumberland County Board of Vocational Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cumberland County Board of Vocational Education's internal control over financial reporting and compliance.

Respectfully submitted,



Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC

January 11, 2016

**REQUIRED SUPPLEMENTARY INFORMATION–PART I**

# **MANAGEMENT'S DECISION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cumberland County Board of Vocational Education's (CCBOVE) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

- The first two statements are *district-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the district-wide statements.
- The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short and long-term* financial information about the activities of the district operates *like businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Major Features of District-Wide and Fund Financial Statements

	<b>District-Wide Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire district (except fiduciary funds)	the activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; CCBOVE's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**District-wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how it has changed. Net position - the difference between the District's assets and deferred outflow of resources and liabilities and deferred inflow of resources - is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities* - The District charges fees to help it cover the cost for certain services it provides. The District's food services program is included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has three kinds of funds:

- *Governmental Fund* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences between them).
- *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
  - In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flow.
  - *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs and activities and for other Districts (student transportation).

- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (in thousands)**

**Net position.** The District's *combined* net position is \$75,709 on June 30, 2015. Approximately 0% of the total net position is from business-type activities. The balance of the total net position, which is approximately 100%, are attributed to governmental activities.

**Changes in net position.** The District's total revenues are \$85,747 for the fiscal period ending June 30, 2015, including proceeds of bonds issued by the Cumberland County Improvement Authority for the construction of the new Cumberland County Vocational Education building in the amount of \$68,605. Property taxes and state formula aid accounted for 8% of the District's revenue. 10% is derived from state and federal aid for specific programs, and the remainder, 82% from fees charged for services and miscellaneous resources.

The District's expenses are predominantly related to educating and caring for students 23%. The purely administrative activities of the District accounted for 8% of total costs. Salary increases due to contractual agreements for teachers and other educational staff are included in the instruction-related costs. Total revenues surpassed expenses, increasing net position approximately \$69,202 over last year, primarily in governmental type activities.

**Governmental Activities**

Revenues for the District's governmental activities amounted to \$85,670. Total expenses amounted to \$16,399. The increase in net position in governmental activities was \$69,271 for 2015.

**Business-Type Activities**

Revenues of the District's business-type activities amounted to \$77 and expenses were \$146. Factors contributing to these results included:

- \* The District netted a small profit from its food service restaurant program.
- \* The house construction fund donated two completed houses.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (in thousands)**

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$59,060. Miscellaneous revenue and non-resident fees exceeded the amounts anticipated in the 2015 budget. The District charged tuition for secondary high school students. Anticipated secondary tuition revenue exceeded that of the budgeted amount. The District also controlled expenditures.

### **General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for the following purpose:

- \* Transfers between budgetary line accounts to prevent overruns.

The District's final budget anticipated utilizing \$659 in fund balance and \$107 of prior year encumbrances to fund the appropriation plan for this fiscal period. The general fund balance increased by \$618.

Actual expenditures for capital outlay amounted to \$113 in the Operating Fund. The balance of expenditures for capital outlay in the amount of \$91 was from the Special Revenue Fund and \$13,372 from the Capital Project Fund for the purpose of the New High School Project.

### **CAPITAL ASSET AND DEBT ADMINISTRATION (in thousands)**

#### **Capital Assets**

By the end of 2015, the District had invested \$25,720 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (more detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$374 while building improvements and additions to equipment and furniture amounted to \$13556.

#### **Long-Term Debt**

The District does not have the authority to issue bonds. Any long-term debt is approved and issued by the County of Cumberland and is not a liability of the District.

### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The District continues to monitor industry needs to ensure our technical programs produce a job-ready workforce. In conjunction with the Workforce Investment Board and Cumberland County College, the Cumberland County Board of Vocational Education will continue to work with the top five industry leaders in Cumberland County to identify trends and enhance our training programs.
- In April 2014 the Freeholders approved a \$70 million dollar bond to fund the local portion of the New High School Project. By the close of June 2014 the district was well underway in the design phase of the New High School Project. February 2015 the Board of Education awarded construction contracts to begin construction of the Full Time High School.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. If you have questions about this report or need additional financial information, please contact Gene Mercoli, School Business Administrator, Cumberland County Board of Vocational Education, 601 Bridgeton Ave., Bridgeton, NJ 08302.

Table A-1  
Cumberland County Board of Vocational Education's Net Position  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2014-2015
	2014	2015	2014	2015	2014	2015	
Assets							
Capital Assets	\$ 3,928.	\$ 60,516.	\$ 155.	\$ 80.	\$ 4,083.	\$ 60,596.	1384.1%
<b>Total Assets</b>	<u>\$ 10,413.</u>	<u>\$ 80,184.</u>	<u>\$ 155.</u>	<u>\$ 80.</u>	<u>\$ 10,568.</u>	<u>\$ 80,264.</u>	<u>203.3%</u>
Deferred Outflow of Resources	\$ 0.	\$ 426.	\$ 0.	\$ 0.	\$ 0.	\$ 426.	0.0%
Current Liabilities	\$ 71.	\$ 764.	\$ 82.	\$ 76.	\$ 153.	\$ 840.	449.0%
Noncurrent Liabilities	157.	3,632.	0.	0.	157.	3,632.	2213.4%
<b>Total Liabilities</b>	<u>\$ 228.</u>	<u>\$ 4,396.</u>	<u>\$ 82.</u>	<u>\$ 76.</u>	<u>\$ 310.</u>	<u>\$ 4,472.</u>	<u>1342.6%</u>
Deferred Inflow of Resources	0.	510.	0.	0.	0.	510.	0.0%
Net Position							
Invested in Capital Assets							
Net of Related Debt	\$ 6,485.	\$ 19,668.	\$ 0.	\$ 0.	\$ 6,485.	\$ 19,668.	203.3%
Restricted	3,164.	59,010.	0.	0.	3,164.	59,010.	1765.0%
Unrestricted	536.	(2,974.)	73.	4.	609.	(2,970.)	-587.7%
<b>Total Net Position</b>	<u>\$ 10,185.</u>	<u>\$ 75,704.</u>	<u>\$ 73.</u>	<u>\$ 4.</u>	<u>\$ 10,258.</u>	<u>\$ 75,708.</u>	<u>638.0%</u>

Table A-2  
Cumberland County Board of Vocational Education's  
Changes in Net Position  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2014-2015
	2014	2015	2014	2015	2014	2015	
<b>Revenues</b>							
Program Revenues							
Charges for Services	\$ 7,441.	\$ 7,850.	\$ 16.	\$ 33.	\$ 7,457.	\$ 7,883.	5.7%
Federal & State Categorical Grants	505.	1,226.	19.	22.	524.	1,248.	138.2%
General Revenues							
Property Taxes	2,000.	2,000.	0.	0.	2,000.	2,000.	0.0%
State Formula Aid	4,366.	4,500.	0.	0.	4,366.	4,500.	3.1%
Other	1,368.	70,094.	0.	22.	1,368.	70,116.	5025.4%
<b>Total Revenues</b>	<b>\$ 15,680.</b>	<b>\$ 85,670.</b>	<b>\$ 35.</b>	<b>\$ 77.</b>	<b>\$ 15,715.</b>	<b>\$ 85,747.</b>	<b>445.6%</b>
<b>Expenses</b>							
Instruction - Related	\$ 2,979.	\$ 3,069.	\$ 0.	\$ 0.	\$ 2,979.	\$ 3,069.	3.0%
Student Support Services	584.	784.	0.	0.	584.	784.	34.2%
Maintenance & Operations	912.	869.	0.	0.	912.	869.	-4.7%
Transportation	29.	30.			29.	30.	3.4%
Administration	1,501.	1,382.	0.	0.	1,501.	1,382.	-7.9%
Other	9,231.	10,265.	39.	146.	9,270.	10,411.	12.3%
<b>Total Expenses</b>	<b>\$ 15,236.</b>	<b>\$ 16,399.</b>	<b>\$ 39.</b>	<b>\$ 146.</b>	<b>\$ 15,275.</b>	<b>\$ 16,545.</b>	<b>8.3%</b>
<b>Increase/ (decrease) in Net Position</b>	<b>\$ 444.</b>	<b>\$ 69,271.</b>	<b>\$ (4.)</b>	<b>\$ (69.)</b>	<b>\$ 440.</b>	<b>\$ 69,202.</b>	<b>15627.7%</b>

Table A-3  
 Cumberland County Board of Vocational Education's Capital Assets  
 (Net of Depreciation)  
 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2014-2015
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	
Land	\$ 106.	\$ 1,343.	\$ 0.	\$ 0.	\$ 106.	\$ 1,343.	1167.0%
Construction in Progress	1,041.	13,176.	0.	0.	1,041.	13,176.	1165.7%
Site Improvements	264.	227.	0.	0.	264.	227.	-14.0%
Buildings & Improvements	4,038.	3,868.	0.	0.	4,038.	3,868.	-4.2%
Machinery & Equipment	1,036.	1,054.	0.	0.	1,036.	1,054.	1.7%
<b>Total</b>	<u>\$ 6,485.</u>	<u>\$ 19,668.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 6,485.</u>	<u>\$ 19,668.</u>	<u>203.3%</u>

## **BASIC FINANCIAL STATEMENTS**

# **DISTRICT-WIDE FINANCIAL STATEMENTS**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 3,627,790.	\$ 21,897.	\$ 3,649,687.
Receivables, Net	56,888,139.	28,466.	56,916,605.
Note Receivable	0.	30,000.	30,000.
Capital Assets, Net	19,667,934.	0.	19,667,934.
Total Assets	<u>80,183,863.</u>	<u>80,363.</u>	<u>80,264,226.</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
	<u>426,488</u>	<u>0.</u>	<u>426,488</u>
<b>LIABILITIES:</b>			
Accounts Payable	789,217.	2,882.	792,099.
Interfund Payable	(73,181.)	73,181.	0.
Unearned Revenue	45,696.		45,696.
Noncurrent Liabilities:			
Due within One Year	1,617.		1,617.
Due in More than One Year	159,325.		159,325.
Net Pension Liability	3,472,828.		3,472,828.
Total Liabilities	<u>4,395,502.</u>	<u>76,063.</u>	<u>4,471,565.</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	<u>510,383.</u>	<u>0.</u>	<u>510,383.</u>
<b>NET POSITION</b>			
Invested in Capital Assets, net of related debt	19,667,934.	0.	19,667,934.
Restricted for:			
Capital Projects	56,208,674.	0.	56,208,674.
Other Purposes	2,801,811.	0.	2,801,811.
Unrestricted	(2,973,953.)	4,300.	(2,969,653.)
Total Net Position	<u>\$ 75,704,466.</u>	<u>\$ 4,300.</u>	<u>\$ 75,708,766.</u>

See Accompanying Notes to the Basic Financial Statements

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services		Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities:						
Instruction:						
Vocational	\$ 3,027,579.	\$ 0.	\$ 0.	\$ 0.	\$ (3,027,579.)	\$ (3,027,579.)
Other instruction	40,887.	0.	0.	0.	(40,887.)	(40,887.)
Support services:						
Student & instruction related services	783,790.	0.	0.	0.	(783,790.)	(783,790.)
School administrative services	424,343.	0.	0.	0.	(424,343.)	(424,343.)
General and business administrative services	404,931.	0.	0.	0.	(404,931.)	(404,931.)
Central services	356,019.	0.	0.	0.	(356,019.)	(356,019.)
Admin info tech	196,948.	0.	0.	0.	(196,948.)	(196,948.)
Plant operations and maintenance	868,942.	0.	0.	0.	(868,942.)	(868,942.)
Pupil transportation	29,975.	0.	0.	0.	(29,975.)	(29,975.)
Employee benefits	2,571,914.	0.	1,225,670.	0.	(1,346,244.)	(1,346,244.)
Special schools	580,139.	549,142.	0.	0.	(30,997.)	(30,997.)
Internal service fund	7,093,537.	7,300,788.	0.	0.	207,251.	207,251.
NJ Debt service assessment	19,288.	0.	0.	0.	(19,288.)	(19,288.)
Total governmental activities	16,398,292.	7,849,930.	1,225,670.	0.	(7,322,692.)	(7,322,692.)
Business-type activities:						
Enterprise funds	145,965.	33,476.	21,859.	0.	0.	(90,630.)
Total business-type activities	145,965.	33,476.	21,859.	0.	0.	(90,630.)
Total primary government	\$ 16,544,257.	\$ 7,883,406.	\$ 1,247,529.	\$ 0.	\$ (7,322,692.)	\$ (7,413,322.)

General revenues:					
Taxes:					
Property taxes, levied for general purposes, net		\$ 2,000,000.	\$ 0.	\$ 0.	2,000,000.
Federal and State aid not restricted		3,925,157.	0.	0.	3,925,157.
Federal and State aid restricted		574,513.	0.	0.	574,513.
Tuition received		1,290,130.	0.	0.	1,290,130.
Non-resident fees		34,000.	0.	0.	34,000.
Investment Earnings		18,161.	13.	0.	18,174.
Miscellaneous Income		169,394.	0.	0.	169,394.
Transfers		(21,906.)	21,906.	0.	0.
Other source/use of funds		68,604,770.	0.	0.	68,604,770.
Total general revenues, special items, extraordinary items and transfers		76,594,219.	21,919.	0.	76,616,138.
Change in Net Position		69,271,527.	(68,711.)	0.	69,202,816.
Net Position—beginning, previously reported		10,184,253.	73,011.	0.	10,257,264.
Restatement for change in accounting principle		(3,751,314.)	(3,751,314.)	0.	(3,751,314.)
Net Position—beginning, restated		6,432,939.	73,011.	0.	6,505,950.
Net Position—ending		75,704,466.	4,300.	0.	75,708,766.

See Accompanying Notes to the Basic Financial Statements

## **FUND FINANCIAL STATEMENTS**

## **GOVERNMENTAL FUNDS**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 2,161,631.	\$ (77,033.)	\$ 1,496,604.	\$ 0.	\$ 3,581,202.
Due from other funds	2,200,095.	0.	0.	0.	2,200,095.
Receivables from other governments	45,495.	146,620.	55,036,422.	0.	55,228,537.
Other	834.	0.	0.	0.	834.
<b>Total assets</b>	<b>\$ 4,408,055.</b>	<b>\$ 69,587.</b>	<b>\$ 56,533,026.</b>	<b>\$ 0.</b>	<b>\$ 61,010,668.</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 17,841.	\$ 35,372.	\$ 25,503.	\$ 0.	\$ 78,716.
Interfund payable	0.	0.	1,831,113.	0.	1,831,113.
Unearned revenue	6,462.	34,215.	0.	0.	40,677.
<b>Total liabilities</b>	<b>24,303.</b>	<b>69,587.</b>	<b>1,856,616.</b>	<b>0.</b>	<b>1,950,506.</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess surplus-current year	1,252,096.	0.	0.	0.	1,252,096.
Excess surplus -- designated for subsequent year's expenditures	1,203,345.	0.	0.	0.	1,203,345.
Maintenance reserve	327,134.	0.	0.	0.	327,134.
Capital reserve	1,532,264.	0.	0.	0.	1,532,264.
<b>Committed to:</b>					
Other purposes	19,236.	0.	41,677,555.	0.	41,696,791.
<b>Assigned to:</b>					
Capital projects	0.	0.	12,998,855.	0.	12,998,855.
<b>Unassigned:</b>					
General fund	49,677.	0.	0.	0.	49,677.
<b>Total Fund balances</b>	<b>4,383,752.</b>	<b>0.</b>	<b>54,676,410.</b>	<b>0.</b>	<b>59,060,162.</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,408,055.</b>	<b>\$ 69,587.</b>	<b>\$ 56,533,026.</b>	<b>\$ 0.</b>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,719,798. and the accumulated depreciation is \$6,051,864 (See Note 6).	\$ 19,667,934.
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8).	(156,130.)
Internal service fund net position	603,536.
<b>Pension related items:</b>	
Deferred outflow of items	\$ 397,828.
Deferred outflow of items	(476,085.)
Pension account payable	(153,325.)
Net pension liability	(3,239,454.)
<b>Total pension related items</b>	<b>(3,471,036.)</b>
<b>Net assets of governmental activities</b>	<b>\$ 75,704,466.</b>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,000,000.	\$ 0.	\$ 0.	\$ 0.	\$ 2,000,000.
Tuition charges	1,290,130.	0.	0.	0.	1,290,130.
Non-resident fees	34,000.	0.	0.	0.	34,000.
Interest earned	11,886.	0.	4,007.	0.	15,893.
Miscellaneous-restricted	549,142.	0.	0.	0.	549,142.
Miscellaneous-unrestricted	163,648.	5,748.	0.	0.	169,396.
Total local sources	4,048,806.	5,748.	4,007.	0.	4,058,561.
State sources	4,541,566.	92,070.	0.	0.	4,633,636.
Federal sources	0.	482,443.	0.	0.	482,443.
Total revenues	8,590,372.	580,261.	4,007.	0.	9,174,640.
<b>EXPENDITURES:</b>					
Current:					
Vocational instruction	2,325,659.	384,430.	0.	0.	2,710,089.
Other instruction	40,887.	0.	0.	0.	40,887.
Support services:					
Student & instruction related services	730,705.	38,144.	0.	0.	768,849.
School administrative services	401,932.	0.	0.	0.	401,932.
Other administrative services	389,990.	0.	0.	0.	389,990.
Central services	356,019.	0.	0.	0.	356,019.
Admin info tech	196,948.	0.	0.	0.	196,948.
Plant operations and maintenance	865,208.	0.	0.	0.	865,208.
Pupil transportation	29,975.	0.	0.	0.	29,975.
Employee benefits	1,925,223.	66,740.	0.	0.	1,991,963.
Capital outlay	112,628.	90,947.	13,372,243.	0.	13,575,818.
Special schools	580,139.	0.	0.	0.	580,139.
Total expenditures	7,955,313.	580,261.	13,372,243.	0.	21,907,817.
Excess (deficiency) of revenues over exp.	635,059.	0.	(13,368,236.)	0.	(12,733,177.)
<b>OTHER FINANCING SOURCES (USES):</b>					
Bond proceeds	0.	0.	68,604,770.	0.	68,604,770.
Transfers in	4,007.	0.	0.	0.	4,007.
Transfers out	(21,907.)	0.	(4,007.)	0.	(25,914.)
Total other financing sources and uses	(17,900.)	0.	68,600,763.	0.	68,582,863.
Net change in fund balance	617,159.	0.	55,232,527.	0.	55,849,686.
Fund balance - July 1	3,766,593.	0.	(556,117.)	0.	3,210,476.
Fund balance - June 30	\$ 4,383,752.	\$ 0.	\$ 54,676,410.	\$ 0.	\$ 59,060,162.

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Total net changes in fund balances - governmental funds (from B-2) \$ 55,849,686.

Amounts reported for governmental activities in the statement of activities (A-2)  
are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	\$ (373,517.)	
	Capital outlays	<u>13,556,529.</u>	13,183,012.

Adjustment to fixed assets 0.

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (1,120.)

Increase in net assets - internal service fund 209,519.

Decrease in pension expense (581,071.)

Increase in on behalf pension payments 609,261.

Change in net assets of governmental activities \$ 69,271,527.

See Accompanying Notes to the Basic Financial Statements

## **PROPRIETARY FUNDS**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2015

	Total Enterprise Funds	Total Governmental Activities - Internal Service Fund
<b>ASSETS:</b>		
Current Assets:		
Cash and cash equivalents	\$ 21,897.	\$ 46,588.
Accounts receivable:		
Federal	1,295.	0.
State	17.	0.
Interfund	25,751.	0.
Other receivables	1,403.	1,479,967.
Due to Adult Student account	0.	4,000.
Other asset	0.	550.
Note Receivable - City of Bridgeton	30,000.	0.
Total current assets	<u>80,363.</u>	<u>1,531,105.</u>
Noncurrent assets:		
Furniture, machinery & equipment	0.	65,780.
Less accumulated depreciation	0.	(65,780.)
Total noncurrent assets	<u>0.</u>	<u>0.</u>
Total assets	<u>\$ 80,363.</u>	<u>\$ 1,531,105.</u>
DEFERRED OUTFLOW OF RESOURCES:		
	<u>0.</u>	<u>28,660.</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts payable	\$ 2,882.	\$ 557,176.
Interfund payable	73,181.	121,550.
Prepaid benefits	0.	5,019.
Total current liabilities	<u>76,063.</u>	<u>683,745.</u>
Noncurrent liabilities		
Compensated absence	0.	4,812.
Net pension liability	0.	233,374.
Total noncurrent liabilities	<u>0.</u>	<u>238,186.</u>
Total liabilities	<u>76,063.</u>	<u>921,931.</u>
DEFERRED INFLOW OF RESOURCES:		
	<u>0.</u>	<u>34,298.</u>
<b>NET POSITION:</b>		
Invested in capital assets net of related debt	0.	0.
Unrestricted	4,300.	603,536.
Total net position	<u>\$ 4,300.</u>	<u>\$ 603,536.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2015

	Total Enterprise Funds	Total Governmental Activities - Internal Service Fund
Operating revenues:		
Changes for services:		
Daily sales	\$ 33,476.	\$ 0.
Fees	0.	7,300,788.
Total operating revenues	<u>33,476.</u>	<u>7,300,788.</u>
Operating expenses		
Cost of sales	50,352.	0.
Salaries	134.	158,310.
Payroll taxes and fringe benefits	10.	74,548.
Other purchased services	0.	48,930.
Contracted services	0.	6,809,492.
General supplies	0.	2,257.
Miscellaneous	95,469.	0.
Total operating expenses	<u>145,965.</u>	<u>7,093,537.</u>
Operating income/(loss)	<u>(112,489.)</u>	<u>207,251.</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	271.	0.
Federal sources:		
National school breakfast program	6,257.	0.
National school lunch program	12,918.	0.
USDA commodities	2,413.	0.
Interest	13.	2,268.
Total nonoperation revenues (expenses)	<u>21,872.</u>	<u>2,268.</u>
Operating transfer in/(out):		
Operating transfer in	<u>21,906.</u>	<u>0.</u>
Change in net position	(68,711.)	209,519.
Total net position - beginning, as previously stated	73,011.	646,105.
Restatement due to changes in accounting principles	<u>0.</u>	<u>(252,088.)</u>
Total net position - beginning, restated	<u>73,011.</u>	<u>394,017.</u>
Total net position - ending	<u>\$ 4,300.</u>	<u>\$ 603,536.</u>

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR YEAR ENDED JUNE 30, 2015

	Total Enterprise Fund	Total Governmental Activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACCT.</b>		
Receipts from customers	\$ 33,991.	\$ 6,566,940.
Payments to employees	0.	(158,310.)
Payment for employee benefits	0.	(76,566.)
Payments to suppliers	(51,984.)	(6,424,580.)
Net cash provided by (used for) operating account	(17,993.)	(92,516.)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACT.</b>		
State Sources	277.	0.
Federal Sources	19,414.	0.
Interfund	11,906.	96,000.
Interest	13.	2,268.
Net cash provided by (used for) non-capital financing activities	31,610.	98,268.
Net increase (decrease) in cash and cash equivalents	13,617.	5,752.
Balances - beginning of year	8,280.	40,837.
Balances - end of year	\$ 21,897.	\$ 46,589.
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (112,489.)	\$ 207,251.
Adjust to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	0.	0.
Federal commodities	2,413.	0.
(Increase)/decrease in accts receivables, net	515.	(734,048.)
(Increase)/decrease in interfund receivables	(847.)	(4,000.)
(Increase)/decrease in other	0.	200.
(Increase)/decrease in inventories	88,686.	0.
(Increase)/decrease in deferred outflow of resources	0.	(24,592.)
Increase/(decrease) in prepaid benefits	0.	1,387.
Increase/(decrease) in compensated absences	0.	4,812.
Increase/(decrease) in accounts payable	2,882.	432,068.
Increase/(decrease) in interfund payable	847.	(1,386.)
Increase/(decrease) in deferred inflow of resources	0.	34,298.
Increase/(decrease) in net pension liability	0.	(12,506.)
Total adjustments	94,496.	(303,767.)
Net cash provided by (used for) oper activities	\$ (17,993.)	\$ (96,516.)

See Accompanying Notes to the Basic Financial Statements

## **FIDUCIARY FUNDS**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AS OF JUNE 30, 2015

	Unemployment Compensation Trust	Payroll/Agency Fund	Student Activity
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 62,916.	\$ 6,440.	\$ 388,333.
Due from Agency	2,552.		
<b>Total Assets</b>	<b>65,468.</b>	<b>6,440.</b>	<b>388,333.</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
<b>LIABILITIES:</b>			
Due to Student Groups			34,444.
Due to Internal Service Fund - Technology			4,000.
Unearned Revenue			150,698.
Interfund Payable		811.	199,191.
Payroll Deductions and Withholdings		3,077.	
Due to Unemployment		2,552.	
<b>Total Liabilities</b>	<b>0.</b>	<b>\$ 6,440.</b>	<b>\$ 388,333.</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
<b>NET POSITION:</b>			
Held in trust for unemployment claims	<b>\$ 65,468.</b>		

See Accompanying Notes to the Basic Financial Statements

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Plan Member	\$          8,385.
Other	0.
Board Contribution	0.
Total Contributions	<u>          8,385.</u>
Investment Earnings:	
Interest	246.
Net Investment Earnings	<u>                  246.</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	10,337.
Other	0.
Total Deductions	<u>          10,337.</u>
 Change in Net Assets	 (1,706.)
 NET POSITION, JULY 1	 <u>          67,174.</u>
 NET POSITION, JUNE 30	 <u><u>          \$      65,468.</u></u>

See Accompanying Notes to the Basic Financial Statements

## **NOTES TO FINANCIAL STATEMENTS**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Reporting Entity:**

The Cumberland County Board of Vocational Education is a component unit of the County of Cumberland. The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District had no component units.

**B. New Accounting Standards:**

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. The adoption of GASB 68 and GASB 71 resulted in a restatement to reduce the total net position of governmental activities at June 30, 2014 by \$3,751,314.
- GASB 69, *Government Combinations and Disposals of Government Operations*. GASB 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. The adoption of this Statement does not have an impact on the District's financial statements.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**B. New Accounting Standards: (Cont'd)**

- GASB 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 68 and GASB 71 resulted in a restatement to reduce the total net position of the governmental activities at June 30, 2014 by \$3,751,314.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Cumberland County Board of Vocational Education have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB No. 54, *Fund Reporting and Governmental Fund Type Descriptions*.

**A. Basis of Presentation:**

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District Wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**A. Basis of Presentation:** (Cont'd)

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

**Fund Financial Statements:** During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**B. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

**GOVERNMENTAL FUNDS**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

**General Fund:** The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**B. Fund Accounting: (Cont'd)**

**GOVERNMENTAL FUNDS (Cont'd)**

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs. As a Type I School District, debt service revenues and expenditures take place at the County level.

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Funds: The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds is comprised of the Food Service, Supermarket Careers, House Construction, Food Service Restaurant, and Customized Training Funds.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**B. Fund Accounting:** (Cont'd)

**PROPRIETARY FUNDS** (Cont'd)

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of an LEA, or to other LEAs, on a cost-reimbursement basis. The District's internal service fund consists of a transportation cooperative.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statements of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Joint Transportation Fund:</u>	
Furniture and Equipment	5-7 years
School Bus	8 years

**FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The following is a description of the fiduciary funds of the District:

Trust and Agency Funds: The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund: An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and scholarship funds.

Nonexpendable Trust Fund: A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

Agency Funds: Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**C. Basis of Accounting and Measurement Focus:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide, Proprietary and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**C. Basis of Accounting and Measurement Focus:** (Cont'd)

(Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position the operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**D. Budgets/Budgetary Control:** (Cont'd)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, which differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types are shown on Exhibit C-3.

**E. Encumbrance Accounting:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**G. Tuition Payable:**

The district paid no tuition.

**H. Short-Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**I. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

**J. Lease Acquisition Costs:**

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2014.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**K. Assets, Liabilities and Equity:**

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. There was inventory in the Enterprise Funds at June 30, 2015 as shown on Exhibit G-1.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets:

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at the estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2015 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of the normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	20 years
Building & Building Improvements	25-50 years
Machinery & Equipment	5-20 Years

**L. Accrued Salaries and Wages**

Certain District employees who provide services to the District over the ten month academic year have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

**M. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**M. Compensated Absences:** (Cont'd)

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district-wide Statement of Net Position.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**N. Unearned Revenue:**

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

**O. Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of accrued compensated absences.

**P. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Q. Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**S. Fund Equity**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**T. Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**U. Management Estimates**

The preparation of financial statements in conformity with generally accepting accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**V. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide Financial Statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**W. Net Position**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. It is the School District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**X. Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted: The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**X. Fund Balance** (Cont'd)

Committed: The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purposes unless the Board of Education removes, or changes, the specific use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned: The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned: The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Y. Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**Y. Revenues – Exchange and Non-Exchange Transactions** (Cont'd)

year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts as follows:

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2014, the District had no funds on deposit with the New Jersey Cash Management.

**Deposits:**

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS** (Cont'd)

Deposits: (Cont'd)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New Jersey, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking account	<u>\$4,107,378.</u>
TOTAL	<u>\$4,107,378.</u>

Custodial Credit Risk:

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2015, the District's bank balance of \$4,918,733 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000.
Collateralized under GUDPA	<u>4,668,733.</u>
TOTAL	<u>\$4,918,733.</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73(S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$9,983,000 as shown in the approved LRFP.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 4. CAPITAL RESERVE ACCOUNT** (Cont'd)

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$986,872.
Interest earnings	2,009.
Deposits	
Approved in 2014/2015 Budget	543,383.
Board Resolution	0.
Withdrawals	
Board Resolution	0.
Total Withdrawals	<u>0.</u>
Ending balance, June 30, 2015	<u>\$1,532,264.</u>

**NOTE 5. MAINTENANCE RESERVE**

The Maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.* 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C.* 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 year is as follows:

Beginning Balance July 1, 2014	\$327,134.
Deposits – Transfer from Capital Projects Fund	0.
Withdrawals	0.
Ending balance June 30, 2015	<u>\$327,134.</u>

The June 30, 2015 maximum maintenance reserve amount is \$712,455.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retiremen ts	Adjustments	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets that are not Being Depreciated:					
Land	\$106,168.	\$1,236,795.	\$	\$	\$1,342,963.
Construction in progress	1,040,716.	12,135,447.			13,176,163.
Total Capital Assets not being Depreciated	1,146,884.	13,372,242.	0.	0.	14,519,126.
Bldg & Bldg Improvements	7,598,640.				7,598,640.
Site Improvements	785,221.				785,221.
Machinery & Equipment	2,632,524.	184,287.			2,816,811.
Totals at Historical Cost	11,016,385.	184,287.	0.	0.	11,200,672.
Less: Accum. Deprec. for:					
Bldg & Bldg Improvements	(3,560,245.)	(170,263.)			(3,730,508.)
Site Improvements	(521,818.)	(36,805.)			(558,623.)
Machinery & Equipment	(1,596,284.)	(166,449.)			(1,762,733.)
Total Accum. Depreciation	(5,678,347.)	(373,517.)	0.	0.	(6,051,864.)
Total Capital Assets being depreciated net of Accum. Depreciation	5,338,038.	(189,230.)	0.	0.	5,148,808.
<b>Government Activities Capital Assets, net</b>					
	\$6,484,922.	\$13,183,012.	\$ 0.	\$ 0.	\$19,667,934.
<b>Business-type Activities:</b>					
Internal Service Fund:					
Equipment	\$65,780.	\$	\$	\$	\$65,780.
Less Accum. Deprec. for:					
Equipment	(65,780.)				(65,780.)
<b>Business-type Activities Capital Assets, net</b>					
	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

**\*Depreciation Expense was Charged to Governmental Functions as Follows:**

Instruction:	
Regular	\$(317,490.)
Support Services:	
Student & Instruction Related Services	(14,941.)
School Administration	(22,411.)
General and Business Administrative Services	(14,941.)
Plant Operations and Maintenance	(3,734.)
Total Depreciation Expense	<u>\$(373,517.)</u>

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 7. OPERATING LEASES**

During the year ended June 30, 2015, the District was leasing various office equipment under operating leases. The leases are for various terms. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2016	\$32,347.
June 30, 2017	25,610.
June 30, 2018	23,397.
June 30, 2019	4,604.
<b>TOTAL</b>	<u><u>\$85,958.</u></u>

The total operating lease payments made during the year ended June 30, 2015 were \$42,891.

**NOTE 8. GENERAL LONG-TERM DEBT**

Type of Debt	Balance at 6/30/14	Issued	Retired	Balance at 6/30/15	Amounts Due Within 1 Year
Governmental Activities:					
Compensated Absences Payable	\$157,250.	\$0.	\$1,120.	\$156,130.	\$1,817.
Total	<u>\$157,250.</u>	<u>\$0.</u>	<u>\$1,120.</u>	<u>\$156,130.</u>	<u>\$1,817.</u>

**A. Bonds Payable:**

Bonds are authorized in accordance with State laws by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

As a Type I school district, all bonds are issued by the County of Cumberland.

**B. Capital Leases Payable:**

The District had no capital leases in force during the 2014-2015 year.

**NOTE 9. PENSION PLANS**

*Description of Plans* – All required employees of the District are covered by either the Public Employees’ Retirement System or the Teachers’ Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers’ Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

*Teachers’ Pension and Annuity Fund (TPAF)* – The Teachers’ Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers’ Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9. PENSION PLANS** (Cont'd)

systems' other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

*Summary of Significant Accounting Policies-* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financial amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$14,193,837 as measured on June 30, 2014 and \$14,701,809 as measured on June 30, 2013.

*For the year ended June 30, 2015, the District recognized pension expense of \$763,762 and revenue of \$763,762 for support provided by the State. The measurement period for pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2013 and June 30, 2014.*

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	6/30/2013	6/30/2014
Collective deferred outflows of resources	\$	\$2,306,623,861.
Collective deferred inflows of resources		1,763,205,593.
Collective net pension liability (nonemployer-State of New Jersey)	50,539,213,484.	53,446,745,367.
State's portion of the net pension liability that was associated with the district	14,701,809.	14,193,837.
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.029090%	0.026557%

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9. PENSION PLANS** (Cont'd)

*Actuarial assumptions* – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases:	Varies based on experience
Investment Rate of Return:	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

*Long-Term Expected Rate of Return* – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Ret	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9. PENSION PLANS** (Cont'd)

*Discount rate:* The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

*Public Employees' Retirement System (PERS)* – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

*Summary of Significant Accounting Policies* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2015, the District reported a liability of \$3,472,828 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.0185487233% which was a decrease of .00188% from its proportionate measured as of June 30, 2013.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9. PENSION PLANS** (Cont'd)

*For the year ended June 30, 2015, the District recognized pension expense of \$122,816. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes to assumptions	109,204.	
Net difference between projected and actual earnings on pension plan investments		206,962.
Changes in proportion and differences between District contributions and proportionate share of contributions		303,421.
District contributions subsequent to the measurement date	317,284.	
<b>TOTAL</b>	<b>\$426,488.</b>	<b>\$510,383.</b>

\$152,913 and \$164,371. reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability measured as of June 30, 2015 and June 30, 2016 respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2015	\$(80,236.)
2016	(80,236.)
2017	(80,236.)
2018	(80,236.)
2019	(80,235.)
Total	\$(401,179.)

	6/30/2013	6/30/2014
Collective deferred outflows of resources	\$	\$952,194,675.
Collective deferred inflows of resources		1,479,224,662.
Collective net pension liability (Non-State-Local Group)	19,111,986,911.	18,722,735,003.
District's portion of net pension liability	3,904,227.	3,472,828.
Districts Proportion %	0.0204281583%	0.0185487233%

*Actuarial assumptions* – The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.01%
Salary Increases:	
2012-2012	2.15%-4.40% based on age
Thereafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9. PENSION PLANS** (Cont'd)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Long-Term Expected Rate of Return* – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table.

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

*Discount rate:* The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9. PENSION PLANS** (Cont'd)

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$4,368,937.	\$3,472,828.	\$2,720,324.

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

*Defined Contribution Retirement Plan (DCRP)* – The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

*PERS and TPAF Vesting and Benefit Provisions* – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credit to the members' accounts.

*Significant Legislation* – Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9. PENSION PLANS** (Cont'd)

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rate increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October, 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4 year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

*Contribution Requirements* – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage Of APC Contributed
June 30, 2015	\$152,913.	100%
June 30, 2014	153,922.	100%
June 30, 2013	169,184.	100%

Three-Year Trend Information for TPAF  
(Paid on Behalf of the District)

Year	Annual Pension PMR Cost	Percentage Of APC Contributed
June 30, 2015	\$154,501.	100%
June 30, 2014	112,346.	100%
June 30, 2013	187,964.	100%

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9. PENSION PLANS** (Cont'd)

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$245,270 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$216,638 during the year ended June 30, 2015, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**NOTE 10. POST RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

GASB statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists.

**NOTE 11. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Government Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 11. COMPENSATED ABSENCES** (Cont'd)

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, a liability existed for compensated absences in the Internal Service Fund in the amount of \$4,812.

**NOTE 12. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Thomas Seeley Agency  
Vanguard Group  
AG Edwards, Inc.  
Allen Associates

**NOTE 13. RISK MANAGEMENT**

The District is exposed to various types of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$0.	\$8,385.	\$246.	\$10,337.	\$65,468.
2013-2014	0.	7,759.	347.	29,865.	67,174.
2012-2013	65,000.	10,039.	258.	32,595.	88,933.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$2,200,095.	\$
Capital Projects Fund		1,831,113.
Enterprise Fund	25,751.	73,181.
Internal Service Fund		121,550.
Fiduciary Fund		200,002.
	<u>\$2,225,846.</u>	<u>\$2,225,846.</u>

The balance due to the general fund from the capital projects fund represents funds from the general fund used for working capital in advance of the receipt of bond proceeds being held by Cumberland County. These amounts will be repaid when the funds are received from Cumberland County during a subsequent year.

General Fund advanced cash to various Enterprise Funds periodically to alleviate cash flow problems in the Enterprise Fund.

The remaining balances resulted from the time lag between the dates that:

1. The interfund transactions occur;
2. Transactions are recorded in the accounting system; and
3. Payments between funds are made.

**NOTE 15. CONTINGENT LIABILITIES**

The Board is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$2,455,441.

**NOTE 17. DEFICIT FUND BALANCES**

The District has a deficit fund balances of \$0 in the General Fund and \$0 in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 17. DEFICIT FUND BALANCES** (Cont'd)

aid payment(s) in the subsequent fiscal year, the school district can not recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$0 is equal to (or) is less than the last state aid payments.

**NOTE 18. FUND BALANCE APPROPRIATED**

General Fund

Of the \$4,383,752. General Fund balance at June 30, 2015, \$19,236 is reserved for encumbrances; \$0 has been legally reserved for tuition adjustment in accordance with *N.J.A.C. 6A:23A-3.1(f)(8)*; \$2,455,441. is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$1,203,345. of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$1,532,264 has been reserved in the Capital Reserve Account; \$327,134 has been reserved in the Maintenance Reserve Account; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$49,677 is unreserved and undesignated.

Debt Service Fund

The District has no Debt Service Fund.

**NOTE 19. FUND BALANCE**

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2015.

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus: In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$2,455,441., \$1,203,345 has been restricted and designated for utilization in the 2015-2016 budget.

Capital Reserve Account: As of June 30, 2015, the balance in the capital reserve account is \$1,532,264. These funds are restricted for the future approved capital projects of school facilities.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 19. FUND BALANCE** (Cont'd)

For Maintenance Reserve Account: As of June 30, 2015, the balance in the maintenance reserve account is \$327,134. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Capital Projects: As of June 30, 2014, the balance in the capital projects fund balance is \$54,676,410. These funds are restricted for the purpose of financing costs incurred on capital projects that were approved by referendum.

**COMMITTED**

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Other Purposes: As of June 30, 2015, the School District had \$19,236 of encumbrances outstanding for purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year.

**ASSIGNED**

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

For Subsequent Year's Expenditures: The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$0 of general fund balance at June 30, 2015.

**UNASSIGNED**

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund:

As of June 30, 2015, the unassigned fund balance of the general fund was \$49,677.

**NOTE 20. SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through January 11, 2016.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 21. RETROACTIVE RESTATEMENT OF NET POSITION**  
**Restatement of Prior Period:**

The District adopted GASB No. 68 – Accounting and Financial Reporting for Pensions – An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. This pronouncement requires the district to record its proportional share of the State of New Jersey’s net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the measurement date of the net pension liability is June 30, 2014 (as described in Note 8), the restatement adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Net Position (per A-2), June 30, 2014	\$10,257,264.
Restatement of Net Pension Liability	(3,904,227.)
Restatement of Deferred Outflows	<u>152,913.</u>
Net Position (per A-2), June 30, 2014 as Restated	<u>\$6,505,950.</u>

**REQUIRED SUPPLEMENTARY INFORMATION–PART II**

## **BUDGETARY COMPARISON SCHEDULES**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,000,000.	0.	\$ 2,000,000.	\$ 2,000,000.	0.
Tuition	1,000,500.	0.	1,000,500.	1,290,130.	289,630.
Non-Resident Fees	36,000.	0.	36,000.	34,000.	(2,000.)
Interest Earned	450.	0.	450.	11,886.	11,436.
Adult Fees	0.	0.	0.	549,142.	549,142.
Miscellaneous	567,000.	0.	567,000.	163,648.	(403,352.)
Total Local Sources	3,603,950.	0.	3,603,950.	4,048,806.	444,856.
State Sources:					
Equalization Aid	3,734,073.	0.	3,734,073.	3,734,073.	0.
Special Education Aid	163,569.	0.	163,569.	163,569.	0.
Security Aid	20,801.	0.	20,801.	20,801.	0.
Parcc Readiness Aid	3,730.	0.	3,730.	3,730.	0.
Per Pupil Growth Aid	3,730.	0.	3,730.	3,730.	0.
On-Behalf TPAF Pension Contribution (Non-Budgeted)	0.	0.	0.	399,771.	399,771.
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	216,638.	216,638.
Total State Sources	3,925,903.	0.	3,925,903.	4,542,312.	616,409.
Total Revenues	7,529,853.	0.	7,529,853.	8,591,118.	1,061,265.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:					
Current Expense:					
Vocational Programs:					
Regular Vocational Programs - Instruction:					
Salaries of Teachers	\$ 1,513,899.	\$ (33,055.)	\$ 1,480,844.	\$ 1,433,888.	\$ 46,956.
Other Salaries for Instruction	114,777.	500.	115,277.	110,398.	4,879.
Purchased Professional Service - Educational Services	2,500.	751.	3,251.	0.	3,251.
Other Purchased Services	81,950.	(13,064.)	68,886.	58,038.	10,848.
General Supplies	250,089.	75.	250,164.	165,262.	84,902.
Textbooks	48,500.	0.	48,500.	33,641.	14,859.
Other Objects	2,000.	0.	2,000.	577.	1,423.
Total Regular Vocational Programs - Instruction	2,013,715.	(44,793.)	1,968,922.	1,801,804.	167,118.
Special Vocational Programs - Instruction:					
Salaries of Teachers	377,756.	21,499.	399,255.	399,109.	146.
Other Salaries for Instruction	81,680.	12,500.	94,180.	90,608.	3,572.
Other Purchased Services	13,700.	(4,500.)	9,200.	5,496.	3,704.
General Supplies	39,105.	(9,500.)	29,605.	23,682.	5,923.
Textbooks	10,000.	(3,250.)	6,750.	4,562.	2,188.
Other Objects	250.	250.	500.	398.	102.
Total Special Vocational Programs- Instruction	522,491.	16,999.	539,490.	523,855.	15,635.
Total Vocational Programs	2,536,206.	(27,794.)	2,508,412.	2,325,659.	182,753.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
School Sponsored Cocurricular Activities- Instruction:					
Salaries	\$ 34,500.	\$ 0.	\$ 34,500.	\$ 13,386.	\$ 21,114.
Purchased Services	3,700.	12,950.	16,650.	16,034.	616.
Supplies and Materials	2,250.	50.	2,300.	1,847.	453.
Total School Sponsored Cocurricular Activities	40,450.	13,000.	53,450.	31,267.	22,183.
School Sponsored Athletics - Instruction:					
Salaries	2,000.	0.	2,000.	1,680.	320.
Purchased Services	1,000.	6,100.	7,100.	6,157.	943.
Supplies and Materials	2,000.	1,000.	3,000.	1,783.	1,217.
Total School Sponsored Athletics	5,000.	7,100.	12,100.	9,620.	2,480.
Total Instruction	2,581,656.	(7,694.)	2,573,962.	2,366,546.	207,416.
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	44,969.	0.	44,969.	44,595.	374.
Purchased Professional and Technical Services	2,500.	0.	2,500.	0.	2,500.
Other Purchased Services	21,750.	0.	21,750.	18,570.	3,180.
Supplies and Materials	3,900.	0.	3,900.	1,936.	1,964.
Other Objects	3,000.	470.	3,470.	470.	3,000.
Total Attendance and Social Work Services	76,119.	470.	76,589.	65,571.	11,018.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Health Services:</b>					
Salaries	\$ 88,210.	\$ 6,500.	\$ 94,710.	\$ 94,465.	\$ 245.
Purchased Professional and Technical Services	2,775.	(645.)	2,130.	1,985.	145.
Other Purchased Services	1,000.	0.	1,000.	0.	1,000.
Supplies and Materials	2,500.	750.	3,250.	3,137.	113.
Other Objects	500.	0.	500.	10.	490.
<b>Total Health Services</b>	<b>94,985.</b>	<b>6,605.</b>	<b>101,590.</b>	<b>99,597.</b>	<b>1,993.</b>
<b>Speech, OT, PT &amp; Related Services:</b>					
Salaries	41,886.	0.	41,886.	40,815.	1,071.
Supplies and Materials	375.	0.	375.	304.	71.
Other Objects	550.	0.	550.	169.	381.
<b>Total Speech, OT, PT &amp; Related Services:</b>	<b>42,811.</b>	<b>0.</b>	<b>42,811.</b>	<b>41,288.</b>	<b>1,523.</b>
<b>Guidance:</b>					
Salaries of Other Professional Staff	131,247.	(3,600.)	127,647.	122,553.	5,094.
Salaries of Sec. And Clerical Assistants	22,628.	1.	22,629.	22,436.	193.
Other Purchased Services	1,575.	500.	2,075.	1,788.	287.
Supplies and Materials	1,750.	(500.)	1,250.	315.	935.
Other Objects	1,750.	0.	1,750.	1,350.	400.
<b>Total Guidance</b>	<b>158,950.</b>	<b>(3,599.)</b>	<b>155,351.</b>	<b>148,442.</b>	<b>6,909.</b>
<b>Child Study Teams:</b>					
Salaries of Other Prof. Staff	66,753.	(2,000.)	64,753.	64,154.	599.
Purchased Professional - Educational Services	39,500.	5,600.	45,100.	45,000.	100.
Other Purchased Services	3,750.	0.	3,750.	2,924.	826.
Supplies and Materials	3,000.	0.	3,000.	1,025.	1,975.
Other Objects	1,450.	0.	1,450.	1,000.	450.
<b>Total Child Study Teams</b>	<b>114,453.</b>	<b>3,600.</b>	<b>118,053.</b>	<b>114,103.</b>	<b>3,950.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Improvement of Instructional Services:					
Other Salaries	\$ 6,500.	\$ 0.	\$ 6,500.	\$ 4,316.	\$ 2,184.
Purchased Professional Educational Services	25,000.	(6,500.)	18,500.	0.	18,500.
Supplies and Materials	5,000.	0.	5,000.	0.	5,000.
Total Improvement of Instructional Services	36,500.	(6,500.)	30,000.	4,316.	25,684.
Educational Media Services/School Library:					
Salaries	22,339.	0.	22,339.	22,159.	180.
Salaries of Technology Coordinators	9,000.	(7,200.)	1,800.	0.	1,800.
Other Purchased Services	7,500.	0.	7,500.	3,000.	4,500.
Supplies and Materials	42,500.	5,350.	47,850.	47,709.	141.
Other Objects	1,250.	0.	1,250.	0.	1,250.
Total Educational Media Services/School Library	82,589.	(1,850.)	80,739.	72,868.	7,871.
Instructional Staff Training Services:					
Salaries of Other Professional Staff	125,000.	5,000.	130,000.	130,000.	0.
Salaries of Secretarial and Clerical Assistant	51,463.	0.	51,463.	51,403.	60.
Purchased Professional/Educational Services	3,000.	0.	3,000.	0.	3,000.
Other Purchased Services	2,500.	250.	2,750.	0.	2,750.
Supplies and Materials	5,000.	(250.)	4,750.	1,212.	3,538.
Other Objects	0.	2,000.	2,000.	1,905.	95.
Total Instructional Staff Training Services	186,963.	7,000.	193,963.	184,520.	9,443.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Support Services-General Administration:					
Salaries	\$ 216,886.	\$ 0.	\$ 216,886.	\$ 197,569.	\$ 19,317.
Salaries of Attorneys	25,906.	0.	25,906.	25,576.	330.
Legal Services	9,500.	(9,000.)	500.	0.	500.
Audit Fees	25,000.	0.	25,000.	24,150.	850.
Architectural/Engineering Services	25,000.	(15,500.)	9,500.	0.	9,500.
Other Purchased Professional Services	37,000.	21,000.	58,000.	43,150.	14,850.
Communications/Telephone	42,200.	248.	42,448.	34,595.	7,853.
BOE Other Purchased Services	7,500.	2,000.	9,500.	8,654.	846.
Other Purchased Services	32,500.	0.	32,500.	30,738.	1,762.
General Supplies	6,600.	(107.)	6,493.	2,416.	4,077.
BOE In-House Training / Meeting Supplies	1,050.	0.	1,050.	787.	263.
Judgements Against Schools	1,500.	1,000.	2,500.	2,484.	16.
Miscellaneous Expenditures	4,500.	2,050.	6,550.	6,479.	71.
BOE Membership Dues & Fees	16,500.	(1,050.)	15,450.	13,392.	2,058.
<b>Total Support Services General Administration</b>	<b>451,642.</b>	<b>641.</b>	<b>452,283.</b>	<b>389,990.</b>	<b>62,293.</b>
Support Services School Administration:					
Salaries of Principals	304,080.	(92,000.)	212,080.	210,249.	1,831.
Salaries Other Professional Staff	0.	92,000.	92,000.	91,598.	402.
Salaries of Sec. and Clerical Assistants	81,736.	0.	81,736.	78,868.	2,868.
Other Purchased Services	9,800.	0.	9,800.	4,291.	5,509.
Supplies and Materials	13,500.	961.	14,461.	11,751.	2,710.
Other Objects	5,750.	0.	5,750.	5,175.	575.
<b>Total Support Services School Administration</b>	<b>414,866.</b>	<b>961.</b>	<b>415,827.</b>	<b>401,932.</b>	<b>13,895.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Central Services:					
Salaries	\$ 298,762.	\$ 18,801.	\$ 317,563.	\$ 317,347.	\$ 216.
Purchased Professional Services	6,250.	(3,000.)	3,250.	2,688.	562.
Purchased Technical Services	16,300.	3,900.	20,200.	20,148.	52.
Miscellaneous Purchased Services	9,750.	(400.)	9,350.	6,495.	2,855.
Supplies and Materials	7,000.	2,391.	9,391.	7,813.	1,578.
Miscellaneous Expenditures	1,750.	0.	1,750.	1,528.	222.
Total Central Services	339,812.	21,692.	361,504.	356,019.	5,485.
Admin Info Technology:					
Salaries	134,051.	(200.)	133,851.	133,199.	652.
Purchased Technical Services	4,500.	(4,200.)	300.	270.	30.
Miscellaneous Purchased Services	61,991.	(16,900.)	45,091.	44,940.	151.
Supplies and Materials	14,500.	4,000.	18,500.	18,389.	111.
Miscellaneous Expenditures	1,655.	(1,500.)	155.	150.	5.
Total Admin Info Technology	216,697.	(18,800.)	197,897.	196,948.	949.
Required Maintenance for School Facilities:					
Salaries	136,395.	0.	136,395.	134,027.	2,368.
Cleaning, Repair and Maintenance Services	107,000.	102,416.	209,416.	125,304.	84,112.
General Supplies	10,200.	0.	10,200.	0.	10,200.
Total Required Maintenance for School Facilities	253,595.	102,416.	356,011.	259,331.	96,680.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Custodial Services:</b>					
Salaries	\$ 167,098.	\$ 0.	\$ 167,098.	\$ 161,062.	\$ 6,036.
Salaries of Non-Instructional Aides	12,500.	(11,545.)	955.	955.	0.
Purchased Professional and Technical Services	9,100.	0.	9,100.	7,376.	1,724.
Cleaning, Repair and Maintenance of Services	57,000.	0.	57,000.	36,400.	20,600.
Other Purchased Property Services	14,900.	0.	14,900.	13,118.	1,782.
Insurance	42,250.	(500.)	41,750.	39,084.	2,666.
Miscellaneous Purchased Services	1,500.	500.	2,000.	1,647.	353.
General Supplies	50,500.	0.	50,500.	46,700.	3,800.
Energy (Natural Gas)	135,000.	0.	135,000.	100,171.	34,829.
Energy (Electricity)	200,000.	0.	200,000.	173,932.	26,068.
<b>Total Custodial Services</b>	<b>689,848.</b>	<b>(11,545.)</b>	<b>678,303.</b>	<b>580,445.</b>	<b>97,858.</b>
<b>Care and Upkeep of Grounds:</b>					
Salaries	22,106.	0.	22,106.	20,805.	1,301.
Purchased Professional and Technical Services	750.	0.	750.	0.	750.
Cleaning Repair and Maintenance	10,000.	572.	10,572.	1,976.	8,596.
General Supplies	2,500.	0.	2,500.	866.	1,634.
Other Objects	500.	0.	500.	0.	500.
<b>Total Care and Upkeep of Grounds</b>	<b>35,856.</b>	<b>572.</b>	<b>36,428.</b>	<b>23,647.</b>	<b>12,781.</b>
<b>Security:</b>					
Purchased Professional and Technical Services	7,500.	0.	7,500.	480.	7,020.
Cleaning Repair and Maintenance	4,000.	0.	4,000.	0.	4,000.
General Supplies	6,250.	0.	6,250.	1,305.	4,945.
<b>Total Security</b>	<b>17,750.</b>	<b>0.</b>	<b>17,750.</b>	<b>1,785.</b>	<b>15,965.</b>
<b>Total Operation and Maintenance of Plant Service</b>	<b>997,049.</b>	<b>91,443.</b>	<b>1,088,492.</b>	<b>865,208.</b>	<b>223,284.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Students Transportation Services:					
Salaries (Other than Between Home/School)	\$ 6,500.	\$ 2,100.	\$ 8,600.	\$ 8,518.	\$ 82.
Cleaning, Repair & Maintenance Services	4,500.	0.	4,500.	3,765.	735.
Contracted Services(Not Home/School) Vendors	12,500.	(2,970.)	9,530.	3,318.	6,212.
Contracted Services(Between Home & School ) Joint	13,300.	700.	14,000.	12,740.	1,260.
Supplies and Materials	1,400.	0.	1,400.	614.	786.
Miscellaneous Expenditures	500.	550.	1,050.	1,020.	30.
Total Student Transportation Services	38,700.	380.	39,080.	29,975.	9,105.
Allocated Benefits:					
Central Services:					
Tuition Reimbursement	2,600.	(2,600.)	0.	0.	0.
Other Employee Benefits	4,864.	(4,864.)	0.	0.	0.
Total Support Services - General Administration	7,464.	(7,464.)	0.	0.	0.
Total Allocated Benefits	7,464.	(7,464.)	0.	0.	0.
Unallocated Benefits:					
Social Security Contributions	121,500.	9,300.	130,800.	130,791.	9.
Other Retirement Contribution - PERS	153,000.	4,864.	157,864.	157,777.	87.
Other Retirement Contribution - Regular	4,500.	200.	4,700.	4,685.	15.
Unemployment Compensation	30,000.	(11,500.)	18,500.	0.	18,500.
Workmen's Compensation	47,500.	3,200.	50,700.	50,694.	6.
Health Benefits	1,025,581.	0.	1,025,581.	840,036.	185,545.
Tuition Reimbursement	14,500.	100.	14,600.	6,585.	8,015.
Other Employee Benefits	130,000.	(1,200.)	128,800.	118,246.	10,554.
Total Unallocated Benefits	1,526,581.	4,964.	1,531,545.	1,308,814.	222,731.
Total Personal Service - Employee Benefits	1,534,045.	(2,500.)	1,531,545.	1,308,814.	222,731.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
On Behalf TPAF Pension Contribution (Non-Budgeted)	\$ 0.	\$ 0.	\$ 0.	\$ 399,771.	\$ (399,771.)
Reimbursed TPAF Soc. Sec. Contribution (Non-Budgeted)	0.	0.	0.	216,638.	(216,638.)
Total Undistributed Expenditures	4,786,181.	99,543.	4,885,724.	4,896,000.	(10,276.)
Total General Current Expense	7,367,837.	91,849.	7,459,686.	7,262,546.	197,140.
<b>CAPITAL OUTLAY:</b>					
Undistributed Expenditures:					
Vocational Programs	30,000.	2,400.	32,400.	32,393.	7.
Admin. Info. Tech.	33,500.	0.	33,500.	30,447.	3,053.
Care & Upkeep of Grounds	40,000.	(2,400.)	37,600.	30,500.	7,100.
Total Equipment	103,500.	0.	103,500.	93,340.	10,160.
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	19,288.	0.	19,288.	19,288.	0.
Total Facilities Acquisition and Const. Services	19,288.	0.	19,288.	19,288.	0.
Total Capital Outlay Expenditures	122,788.	0.	122,788.	112,628.	10,160.
Post-Secondary Vocational Programs - Instruction:					
Salaries of Teachers	429,052.	(9,000.)	420,052.	397,180.	22,872.
Purchased Professional/Technical Services	3,500.	0.	3,500.	318.	3,182.
Other Purchased Services	22,450.	0.	22,450.	13,901.	8,549.
General Supplies	37,454.	131.	37,585.	20,331.	17,254.
Textbooks	5,000.	0.	5,000.	0.	5,000.
Other Objects	2,500.	360.	2,860.	1,944.	916.
Total Post-Secondary Vocational Program - Instruction	499,956.	(8,509.)	491,447.	433,674.	57,773.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Post-Secondary Programs Support Services:					
Salaries	\$ 38,622.	\$ 0.	\$ 38,622.	\$ 36,763.	\$ 1,859.
Personal Services - Employee Benefits	95,159.	0.	95,159.	80,027.	15,132.
Other Purchased Services	14,500.	0.	14,500.	1,950.	12,550.
Supplies and Materials	10,101.	0.	10,101.	0.	10,101.
Other Objects	18,500.	0.	18,500.	12,141.	6,359.
Total Post-Secondary Programs Support Services	176,882.	0.	176,882.	130,881.	46,001.
Total Post-Secondary Programs	676,838.	(8,509.)	668,329.	564,555.	103,774.
Vocational Evening - Local - Instruction:					
Salaries of Teachers	15,500.	(2,200.)	13,300.	10,905.	2,395.
General Supplies	2,500.	2,200.	4,700.	4,679.	21.
Total Vocational Evening - Local - Instruction	18,000.	0.	18,000.	15,584.	2,416.
Vocational Evening - Local - Support Services:					
General Supplies	3,600.	0.	3,600.	0.	3,600.
Total Vocational Evening - Local - Instruction	3,600.	0.	3,600.	0.	3,600.
Total Vocational Evening - Local	21,600.	0.	21,600.	15,584.	6,016.
Total Special Schools	698,438.	(8,509.)	689,929.	580,139.	109,790.
Total Expenditures	8,189,063.	83,340.	8,272,403.	7,955,313.	317,090.
Excess (Deficiency) of Revenues Over (Under) Expenditures	(659,210.)	(83,340.)	(742,550.)	635,805.	1,378,355.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfer	Final Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources:					
Operating Transfer In:					
Transfer to/from Food Service Fund	\$ 0.	\$ (24,000.)	\$ (24,000.)	\$ (21,907.)	\$ 2,093.
Operating Transfer Out:					
Transfer to/from Capital Projects Fd	0.	0.	0.	4,007.	4,007.
Total Other Financing Sources:	0.	(24,000.)	(24,000.)	(17,900.)	6,100.
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(659,210)	(107,340)	(766,550)	617,905	1,384,455
Fund Balance, July 1	4,156,504.	0.	4,156,504.	4,156,504.	0.
Fund Balance, June 30	\$ 3,497,294.	\$ (107,340.)	\$ 3,389,954.	\$ 4,774,409.	\$ 1,384,455.

Recapitulation:	
Restricted Fund Balance:	
Capital Reserve	\$ 1,532,264.
Maintenance Reserve	327,134.
Excess Surplus Designated for Subsequent Year's Expenditures	1,203,345.
Excess Surplus - Current Year	1,252,096.
Committed Fund Balance:	
Year-End Encumbrances	19,236.
Unassigned Fund Balance	440,334.
	<u>4,774,409.</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Less: State Aid Payments Not Recognized on GAAP Basis	(390,657.)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,383,752.</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources	\$ 5,748.	\$ 0.	\$ 5,748.	\$ 5,748.	\$ 0.
State Sources	92,070.	0.	92,070.	92,070.	0.
Federal Sources	557,203.	0.	557,203.	502,933.	(54,270.)
Total Revenues	655,021.	0.	655,021.	600,751.	(54,270.)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	190,068.	0.	190,068.	171,224.	18,844.
Other Salaries for Instruction	30,996.	0.	30,996.	26,517.	4,479.
Purchased Professional - Educational Services	26,844.	0.	26,844.	31,172.	(4,328.)
Other Purchased Services	21,436.	0.	21,436.	19,245.	2,191.
General Supplies	100,064.	20,645.	120,709.	126,211.	(5,502.)
Other Objects	10,488.	0.	10,488.	10,857.	(369.)
Total Instruction	379,896.	20,645.	400,541.	385,226.	15,315.
Support Services:					
Other Salaries	40,643.	0.	40,643.	37,501.	3,142.
Personal Services - Employee Benefits	82,625.	0.	82,625.	66,740.	15,885.
Purchased Professional - Educational Services	11,000.	0.	11,000.	3,376.	7,624.
Other Purchased Services	12,796.	0.	12,796.	5,847.	6,949.
Supplies & Materials	16,386.	0.	16,386.	11,114.	5,272.
Total Support Services	163,450.	0.	163,450.	124,578.	38,872.
Facilities Acquisition and Construction Services:					
Instructional Equipment	111,675.	(20,645.)	91,030.	90,947.	83.
Total Facilities Acquisition and Construction Services	111,675.	(20,645.)	91,030.	90,947.	83.
Total Expenditures	655,021.	0.	655,021.	600,751.	54,270.
Total Outflows	655,021.	0.	655,021.	600,751.	54,270.
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION – Part II**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund	Capital Projects Fund
Sources/inflows of resources:			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,591,118.	\$ 600,751.	\$ 0.
Differences - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		14,882. (35,372.)	
		Prior Year Encumbrance	
		Current Year Encumbrance	
State aid payment recognized for GAAP statement in the current year, previously recognized for budgetary purposes.	389,911.		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(390,657.)		
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 8,590,372.	\$ 580,261.	\$ 0.
Uses/Outflow of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 7,955,313.	\$ 600,751.	\$ 0.
Differences - Budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		14,882. (35,372.)	
		Prior Year Encumbrance	
		Current Year Encumbrance	
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) to general fund			
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 7,955,313.	\$ 580,261.	\$ 0.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR PENSIONS (GASB 68)**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PERS  
Last Two Fiscal Years

	Measurement Date	
	Ending June 30,	
	2014	2013
District's proportion of the net pension liability (asset)	0.01854872%	0.02042816%
District's proportionate share of the net pension liability (asset)	<u>\$ 3,472,828.</u>	<u>\$ 3,904,227.</u>
District's covered-employee payroll	\$ 1,309,954.	N/A
District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	265.11%	N/A
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
Last Two Fiscal Years

PERS

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 152,913.	\$ 153,922.
Contributions in relation to the contractually required contribution	<u>(152,913.)</u>	<u>(153,922.)</u>
Contribution deficiency (excess)	<u>0.</u>	<u>0.</u>
District's covered-employee payroll	\$ 1,309,954.	\$ 0.
Contributions as a percentage of covered-employee payroll	11.67%	N/A

TPAF

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually required contribution	N/A	N/A
Contributions in relation to the contractually required contribution	N/A	N/A
Contribution deficiency (excess)	N/A	N/A
District's covered-employee payroll	\$ 2,921,655.	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TPAF  
Last Two Fiscal Years

	<u>Measurement Date</u> <u>Ending June 30,</u>	
	<u>2013</u>	
District's proportion of the net pension liability (asset)	N/A	N/A
District's proportionate share of the net pension liability (asset)	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 14,193,837.</u>	<u>\$ 14,701,809.</u>
Total	<u>\$ 14,193,837.</u>	<u>\$ 14,701,809.</u>
District's covered-employee payroll	\$ 2,921,655.	N/A
District 's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION – Part III**

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PENSION SCHEDULES  
JUNE 30, 2015**

**Note 1. Teachers' Pension and Annuity Fund (TPAF)**

*Changes of benefits terms.* The vesting and benefits provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the member's accounts.

*Changes of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active member are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvement for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**Note 2. Public Employees' Retirement System (PERS)**

*Changes of benefits terms.* The vesting and benefits provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Changes of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

**Note 3. Schedule of School District's Proportionate Share of the Net Pension Liability – PERS/TPAF and Schedule of Employer's Contribution for PERS/TPAF**

The information presented in these required supplementary schedules was determined as part of the audit of the State of New Jersey Division of Pension and Benefits. Additional information for the pension schedules can be found in the notes to the financial statements.

## **OTHER SUPPLEMENTARY INFORMATION**

## **SCHOOL BASED BUDGET SCHEDULES**

**N/A**

**SPECIAL REVENUE FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Title I, Part A	Title II, Part A	I.D.E.A. Part B, Basic	Perkins Vocational Secondary	Perkins Vocational Post-Secondary
Revenues:					
Local Sources	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
State Sources	0.	0.	0.	0.	92,070.
Federal Sources	260,088.	3,710.	106,517.	78,112.	0.
<b>Total Revenues</b>	<b>\$ 260,088.</b>	<b>\$ 3,710.</b>	<b>\$ 106,517.</b>	<b>\$ 78,112.</b>	<b>\$ 92,070.</b>

Expenditures:					
Instruction:					
Salaries of Teachers	\$ 157,022.	\$ 3,051.	\$ 0.	\$ 0.	\$ 0.
Other Salaries for Instruction	0.	0.	26,517.	0.	0.
Purchased Professional - Educational Services	0.	0.	10,232.	17,396.	944.
Other Purchased Services	1,135.	0.	800.	0.	0.
General Supplies	46,792.	0.	12,105.	32,059.	19,596.
Other Objects	0.	0.	1,617.	9,240.	0.
<b>Total Instruction</b>	<b>204,949.</b>	<b>3,051.</b>	<b>51,271.</b>	<b>58,695.</b>	<b>20,540.</b>

Support Services:					
Other Salaries	0.	0.	37,501.	0.	0.
Personal Services - Employee Benefits	54,067.	659.	11,851.	0.	0.
Purchased Professional - Educational Services	0.	0.	3,376.	0.	0.
Other Purchased Services	462.	0.	0.	0.	0.
Supplies & Materials	610.	0.	2,518.	0.	0.
<b>Total Support Services</b>	<b>55,139.</b>	<b>659.</b>	<b>55,246.</b>	<b>0.</b>	<b>0.</b>

Facilities Acquisition and Const. Service:					
Instructional Equipment	0.	0.	0.	19,417.	71,530.
<b>Total Facilities Acquisition and Const. Service</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>19,417.</b>	<b>71,530.</b>
<b>Total Expenditures</b>	<b>\$ 260,088.</b>	<b>\$ 3,710.</b>	<b>\$ 106,517.</b>	<b>\$ 78,112.</b>	<b>\$ 92,070.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	21st Century	REAP	NJSBAIG Safety Grant	Totals 2015
<b>Revenues:</b>				
Local Sources	\$ 0.	\$ 0.	\$ 5,748.	\$ 5,748.
State Sources	0.	0.	0.	92,070.
Federal Sources	2,767.	51,739.	0.	502,933.
<b>Total Revenues</b>	<b>\$ 2,767.</b>	<b>\$ 51,739.</b>	<b>\$ 5,748.</b>	<b>\$ 600,751.</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of Teachers	\$ 2,126.	\$ 9,025.	\$ 0.	\$ 171,224.
Other Salaries for Instruction	0.	0.	0.	26,517.
Purchased Professional - Educational Services	0.	2,600.	0.	31,172.
Other Purchased Services	0.	11,562.	5,748.	19,245.
General Supplies	478.	15,181.	0.	126,211.
Other Objects	0.	0.	0.	10,857.
<b>Total Instruction</b>	<b>2,604.</b>	<b>38,368.</b>	<b>5,748.</b>	<b>385,226.</b>
<b>Support Services:</b>				
Other Salaries	0.	0.	0.	37,501.
Personal Services - Employee Benefits	163.	0.	0.	66,740.
Purchased Professional - Educational Services	0.	0.	0.	3,376.
Other Purchased Services	0.	5,385.	0.	5,847.
Supplies & Materials	0.	7,986.	0.	11,114.
<b>Total Support Services</b>	<b>163.</b>	<b>13,371.</b>	<b>0.</b>	<b>124,578.</b>
<b>Facilities Acquisition and Const. Service:</b>				
Instructional Equipment	0.	0.	0.	90,947.
<b>Total Facilities Acquisition and Const. Service</b>	<b>0.</b>	<b>0.</b>	<b>0.</b>	<b>90,947.</b>
<b>Total Expenditures</b>	<b>\$ 2,767.</b>	<b>\$ 51,739.</b>	<b>\$ 5,748.</b>	<b>\$ 600,751.</b>

## **CAPITAL PROJECTS FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2015

Description	Appropriations	Expenditures to Date		Adjustment	Unexpended Balance June 30, 2015
		Prior Year	Current Year		
Roof and HVAC Repairs and Upgrades, Door and Hardware Upgrades	\$ 2,938,112.	\$ 2,246,325.	\$ 0.	\$ 0.	\$ 691,787.
Water Well System	465,996.	229,720.	0.	0.	236,276.
New Cumberland County Technical Education Building	<u>68,604,770.</u>	<u>988,620.</u>	<u>13,372,243.</u>	<u>0.</u>	<u>54,243,907.</u>
Totals	<u>\$ 72,008,878.</u>	<u>\$ 3,464,665.</u>	<u>\$ 13,372,243.</u>	<u>\$ 0.</u>	<u>\$ 55,171,970.</u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources:	
Bond Proceeds	\$ 68,604,770.
Interest	4,007.
Total Revenues	<u>68,608,777.</u>
Expenditures and Other Financing Uses:	
Land Acquisition	1,236,795.
Purchased Professional and Technical Services	4,014,736.
Construction Services	8,082,570.
Other	38,142.
Total expenditures	<u>13,372,243.</u>
Excess (Deficiency) or Revenues Over (Under) Expenditures	<u>55,236,534.</u>
Other Financing Uses:	
Transfer to General Fund	<u>(4,007.)</u>
Excess (Deficiency) or Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	<u>55,232,527.</u>
Fund balance-July 1	<u>(60,557.)</u>
Fund balance-June 30	<u><u>\$ 55,171,970.</u></u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ROOF AND HVAC REPAIRS AND UPGRADES, DOOR AND HARDWARE UPGRADES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
State sources - SDA Grant	\$ 2,071,663.	\$ 0.	\$ 2,071,663.	\$ 2,071,663.
Bond proceeds - County of Cumberland	866,449.	0.	866,449.	866,449.
<b>Total revenues</b>	<b>2,938,112.</b>	<b>0.</b>	<b>2,938,112.</b>	<b>2,938,112.</b>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	215,781.	0.	215,781.	255,000.
Construction services	2,030,544.	0.	2,030,544.	2,683,112.
<b>Total expenditures</b>	<b>2,246,325.</b>	<b>0.</b>	<b>2,246,325.</b>	<b>2,938,112.</b>
Excess (deficiency) or revenues over (under) expenditures	<b>\$ 691,787.</b>	<b>\$ 0.</b>	<b>\$ 691,787.</b>	<b>\$ 0.</b>

## Additional project information:

SDA Project Number	0995-030-09-GOXL
Grant Date	5/12/2011
Grant Amount	\$ 2,071,663.
Bond Authorization Date	2/22/2011
Bonds Authorized	\$ 866,449.
Bonds Issued	\$ 866,449.
Original Authorized Cost	\$ 2,938,112.
Additional Authorized Cost	\$ 0.
Revised Authorized Cost	\$ 2,938,112.

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	Unknown

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
WATER WELL SYSTEM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds-County of Cumberland	\$ 465,996.	\$ 0.	\$ 465,996.	\$ 465,996.
Total revenues	465,996.	0.	465,996.	465,996.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	8,876.	0.	8,876.	50,000.
Construction services	220,844.	0.	220,844.	415,996.
Total expenditures	229,720.	0.	229,720.	465,996.
Excess (deficiency) or revenues over (under) expenditures	\$ 236,276.	\$ 0.	\$ 236,276.	\$ 0.

## Additional project information:

Project Number	0995-030-04-1000
Grant Date	N/A
Grant Amount	\$ 0.
Bond Authorization Date	2/4/2004
Bonds Authorized	\$ 465,996.
Bonds Issued	\$ 465,996.
Original Authorized Cost	\$ 465,996.
Additional Authorized Cost	\$ 0.
Revised Authorized Cost	\$ 465,996.
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	Unknown

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
NEW CUMBERLAND COUNTY TECHNICAL EDUCATION BUILDING  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds-County of Cumberland Improvement Authority	\$ 0.	\$ 68,604,770.	\$ 68,604,770.	\$ 68,604,770.
Total revenues	0.	68,604,770.	68,604,770.	68,604,770.
Expenditures and Other Financing Uses:				
Purchased professional and technical services	968,414.	4,014,736.	4,983,150.	4,069,249.
Land acquisition		1,236,795.	1,236,795.	1,330,000.
Site construction		1,682,155.	1,682,155.	4,690,000.
Building construction		6,400,415.	6,400,415.	46,611,550.
Furniture, fixtures, equipment				5,654,129.
Other	20,206.	38,142.	58,348.	6,249,842.
Total expenditures	988,620.	13,372,243.	14,360,863.	68,604,770.
Excess (deficiency) or revenues over (under) expenditures	\$ (988,620.)	\$ 55,232,527.	\$ 54,243,907.	\$ 0.

## Additional project information:

SDA Project Number	0995-030-13-1000
Grant Date	N/A
Grant Amount	N/A
Bond Authorization Date	3/25/2014
Bonds Authorized	\$ 68,604,770.
Bonds Issued	\$ 68,604,770.
Original Authorized Cost	\$ 68,604,770.
Additional Authorized Cost	\$ 0.
Revised Authorized Cost	\$ 68,604,770.

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	20.93%

## **PROPRIETARY FUNDS**

**ENTERPRISE FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015

	Supermarket Careers	Food Service	House Construction	Food Service Restaurant	Customized Training Fund	Total
<b>ASSETS:</b>						
Current assets:						
Cash and cash equivalents	\$ (22,205.)	\$ 2,486.	\$ 15,197.	\$ 23,164.	\$ 3,255.	\$ 21,897.
Accounts receivable:						
Federal	0.	1,295.	0.	0.	0.	1,295.
State	0.	17.	0.	0.	0.	17.
Interfund	19,565.	847.	0.	5,339.	0.	25,751.
Other	0.	0.	0.	1,403.	0.	1,403.
Note Receivable	0.	0.	30,000.	0.	0.	30,000.
Total current assets	(2,640.)	4,645.	45,197.	29,906.	3,255.	80,363.
Total assets	\$ (2,640.)	\$ 4,645.	\$ 45,197.	\$ 29,906.	\$ 3,255.	\$ 80,363.
DEFERRED OUTFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
<b>LIABILITIES</b>						
Current liabilities:						
Interfund payable	\$ 11,700.	\$ 237.	\$ 61,244.	\$ 0.	\$ 0.	\$ 73,181.
Accounts payable	0.	2,882.	0.	0.	0.	2,882.
Total current liabilities	11,700.	3,119.	61,244.	0.	0.	76,063.
Total liabilities	11,700.	3,119.	61,244.	0.	0.	76,063.
DEFERRED INFLOW OF RESOURCES:	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
<b>NET POSITION:</b>						
Unrestricted	(14,340.)	1,526.	(16,047.)	29,906.	3,255.	4,300.
Total net position	\$ (14,340.)	\$ 1,526.	\$ (16,047.)	\$ 29,906.	\$ 3,255.	\$ 4,300.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Supermarket Careers Fund	Food Service Fund	House Construction Fund	Food Service Restaurant Fund	Customized Training Fund	Total
<b>OPERATING REVENUES:</b>						
Daily sales	\$ 5,395.	\$ 2,195.	\$ 0.	\$ 25,886.	\$ 0.	\$ 33,476.
Total operating revenues	5,395.	2,195.	0.	25,886.	0.	33,476.
<b>OPERATING EXPENSE:</b>						
Cost of Sales	0.	37,284.	0.	13,068.	0.	50,352.
Salaries	0.	0.	0.	134.	0.	134.
Fringe Benefits	0.	0.	0.	10.	0.	10.
Miscellaneous	3,000.	50.	88,686.	3,733.	0.	95,469.
Total operating expenses	3,000.	37,334.	88,686.	16,945.	0.	145,965.
Operating income/(loss)	2,395.	(35,139.)	(88,686.)	8,941.	0.	(112,489.)
<b>NON-OPERATING REVENUES/EXPENSES:</b>						
State sources:						
State school lunch program	0.	271.	0.	0.	0.	271.
Federal sources:						
National school breakfast program	0.	6,257.	0.	0.	0.	6,257.
National school lunch program	0.	12,918.	0.	0.	0.	12,918.
USDA commodities	0.	2,413.	0.	0.	0.	2,413.
Interest	0.	13.	0.	0.	0.	13.
Total non-operating revenue/expenses	0.	21,872.	0.	0.	0.	21,872.
Operating transfer in/(out):						
Operating transfer in	0.	21,906.	0.	0.	0.	21,906.
Total operating transfers in/out	0.	21,906.	0.	0.	0.	21,906.
Change in net position	2,395.	8,639.	(88,686.)	8,941.	0.	(68,711.)
NET POSITION - JULY 1	(16,735.)	(7,113.)	72,639.	20,965.	3,255.	73,011.
NET POSITION - JUNE 30	\$ (14,340.)	\$ 1,526.	\$ (16,047.)	\$ 29,906.	\$ 3,255.	\$ 4,300.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Supermarket Careers Fund	Food Service Fund	House Construction Fund	Food Service Restaurant Fund	Customized Training Fund	Total
\$	5,395.	2,195.	0.	26,401.	0.	33,991.
	(3,000.)	(32,039.)	0.	(16,945.)	0.	(51,984.)
	2,395.	(29,844.)	0.	9,456.	0.	(17,993.)
	0.	277.	0.	0.	0.	277.
	0.	19,414.	0.	0.	0.	19,414.
	0.	11,906.	0.	0.	0.	11,906.
	0.	13.	0.	0.	0.	13.
	0.	31,610.	0.	0.	0.	31,610.
	(24,600.)	720.	15,197.	13,708.	3,255.	8,280.
\$	(22,205.)	2,486.	15,197.	23,164.	3,255.	21,897.
\$	2,395.	(35,139.)	(88,686.)	8,941.	0.	(112,489.)
	0.	2,413.	0.	0.	0.	2,413.
	0.	0.	0.	515.	0.	515.
	0.	(847.)	0.	0.	0.	(847.)
	0.	0.	88,686.	0.	0.	88,686.
	0.	847.	0.	0.	0.	847.
	0.	2,882.	0.	0.	0.	2,882.
\$	2,395.	(29,844.)	0.	9,456.	0.	(17,993.)

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipt from customers  
 Payment to suppliers  
 Net cash provided (used) by operating activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State sources  
 Federal sources  
 Interfund  
 Interest  
 Net cash provided by noncapital financing activities

Cash and cash equivalents - July 1

Cash and cash equivalents - June 30

Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:

Operating income/(loss)  
 Adjustments to reconcile operating income to net cash provided by operating activities:  
     Federal commodities  
 Change in assets and liabilities:  
     (Increase)/decrease in accounts receivable  
     (Increase)/decrease in interfund receivable  
     (Increase)/decrease in inventory  
     Increase/(decrease) in interfund payable  
     Increase/(decrease) in accounts payable  
 Net cash provided/(used) by operating activities

## **INTERNAL SERVICE FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015

	Transportation Internal Service Fund	Technology Internal Service Fund	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 46,588.	\$ 0.	\$ 46,588.
Accounts receivable	1,479,967.	0.	1,479,967.
Due from Adult Student Account	0.	4,000.	4,000.
Other	550.	0.	550.
Total current assets	1,527,105.	4,000.	1,531,105.
Fixed assets			
Vehicle	60,459.	0.	60,459.
Equipment	5,321.	0.	5,321.
Accumulated depreciation	(65,780.)	0.	(65,780.)
Total fixed assets	0.	0.	0.
Total assets	1,527,105.	4,000.	1,531,105.
DEFERRED OUTFLOW OF RESOURCES:	\$ 28,660.	\$ 0.	\$ 0.
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	\$ 546,130.	\$ 0.	\$ 546,130.
Pension account payable	11,046.	0.	11,046.
Interfund payable	121,550.	0.	121,550.
Prepaid benefits	5,019.	0.	5,019.
Total current liabilities	683,745.	0.	683,745.
Noncurrent liabilities:			
Compensated absence	4,812.	0.	4,812.
Net pension liability	233,374.	0.	233,374.
Total Noncurrent liabilities	238,186.	0.	238,186.
Total liabilities	921,931.	0.	921,931.
DEFERRED INFLOW OF RESOURCES:	0.	0.	0.
<b>NET POSITION:</b>			
Investments in fixed assets	0.	0.	0.
Unrestricted	599,536.	4,000.	603,536.
Total net position	\$ 599,536.	\$ 4,000.	\$ 603,536.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Transportation Internal Service Fund	Technology Internal Service Fund	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 7,292,788.	\$ 8,000.	\$ 7,300,788.
Total operating revenues	7,292,788.	8,000.	7,300,788.
<b>OPERATING EXPENSES:</b>			
Contracted services	6,809,492.	0.	6,809,492.
Supplies	2,257.	0.	2,257.
Salaries	154,310.	4,000.	158,310.
Payroll taxes and fringe benefits	74,548.	0.	74,548.
Other purchased services	48,930.	0.	48,930.
Total operating expenses	7,089,537.	4,000.	7,093,537.
Operating income/(loss)	203,251.	4,000.	207,251.
<b>NON-OPERATING REVENUES/EXPENSES:</b>			
Interest	2,268.	0.	2,268.
Total non-operating revenues/expenses	2,268.	0.	2,268.
Change in net position	205,519.	4,000.	209,519.
NET POSITION - beginning, previously stated	646,105.	0.	646,105.
Restatement from change in accounting principle	(252,088.)	0.	(252,088.)
NET POSITION - beginning, restated	394,017.	0.	394,017.
NET POSITION - ending	\$ 599,536.	\$ 4,000.	\$ 603,536.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Transportation Internal Service Fund	Technology Internal Service Fund	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 6,558,940.	\$ 8,000.	\$ 6,566,940.
Payments to employees	(154,310.)	(4,000.)	(158,310.)
Payments to employees' benefits	(76,566.)	0.	(76,566.)
Payment to suppliers	(6,424,580.)	0.	(6,424,580.)
Net cash provided (used) by operating activities	(96,516.)	4,000.	(92,516.)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interfund	100,000.	(4,000.)	96,000.
Interest	2,268.	0.	2,268.
Net cash provided by noncapital financing activities	102,268.	(4,000.)	98,268.
Net increase/decrease in cash and cash equivalents	5,752.	0.	5,752.
Cash and cash equivalents - July 1	40,837.	0.	40,837.
Cash and cash equivalents - June 30	\$ 46,589.	\$ 0.	\$ 46,589.
<b>Reconciliation of operating income/(loss) to net cash provided/ (used) by operating activities:</b>			
Operating income (loss)	\$ 203,251.	\$ 4,000.	\$ 207,251.
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense			0.
Change in assets and liabilities:			
(Increase)/decrease in accounts receivable	(734,048.)		(734,048.)
(Increase)/decrease in interfund receivable		(4,000.)	(4,000.)
(Increase)/decrease in other	200.		200.
(Increase)/decrease in deferred outflow of resources	(24,592.)		(24,592.)
Increase/(decrease) in accounts payables	432,068.		432,068.
Increase/(decrease) in prepaid benefits	1,387.		1,387.
Increase/(decrease) in compensated absences	4,812.		4,812.
Increase/(decrease) in interfund payable	(1,386.)		(1,386.)
Increase/(decrease) in deferred inflow of resources	34,298.		34,298.
Increase/(decrease) in net pension liability	(12,506.)		(12,506.)
Net cash provided (used in) operating activities	\$ (96,516.)	\$ 0.	\$ (96,516.)

## **FIDUCIARY FUND**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2015

	Student Activity	Payroll	Unemployment Compensation Trust	Total
<b>ASSETS:</b>				
Cash & Cash Equivalents	\$ 388,333.	\$ 6,440.	\$ 62,916.	\$ 457,689.
Due from Agency	0.	0.	2,552.	2,552.
<b>Total Assets</b>	<b>388,333.</b>	<b>6,440.</b>	<b>65,468.</b>	<b>460,241.</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>	0.	0.	0.	0.
<b>LIABILITIES:</b>				
Due to Student Groups	34,444.	0.	0.	34,444.
Due to Internal Service Fund - Technology	4,000.	0.	0.	4,000.
Unearned Revenue	150,698.	0.	0.	150,698.
Interfund Payable	199,191.	811.	0.	200,002.
Payroll Deductions and Withholdings	0.	3,077.	0.	3,077.
Due to Unemployment	0.	2,552.	0.	2,552.
<b>Total Liabilities</b>	<b>388,333.</b>	<b>6,440.</b>	<b>0.</b>	<b>394,773.</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>	0.	0.	0.	0.
<b>NET POSITION:</b>	<b>\$ 0.</b>	<b>\$ 0.</b>	<b>\$ 65,468.</b>	<b>\$ 65,468.</b>

CUMBERLAND COUNTY BOARD OF VOACATIONAL EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 8,385.
Total Contributions	<u>8,385.</u>
Investment Earnings:	
Interest	<u>246.</u>
Net Investment Earnings	<u>246.</u>
Total Additions	<u>8,631.</u>
DEDUCTIONS:	
Unemployment Claims	<u>10,337.</u>
Total Deductions	<u>10,337.</u>
Change in Net Position	(1,706.)
NET POSITION, JULY 1	<u>67,174.</u>
NET POSITION, JUNE 30	<u><u>\$ 65,468.</u></u>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
STUDENT ACTIVITY AGENCY FUND SCHEDULE  
OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Cash Balance July 1, 2014	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2015
Student Activities	\$ 38,201.	\$ 15,001.	\$ 18,758.	\$ 34,444.
Adult Student Account	209,787.	409,163.	265,061.	353,889.
Total	<u>\$ 247,988.</u>	<u>\$ 424,164.</u>	<u>\$ 283,819.</u>	<u>\$ 388,333.</u>

CUMBERLAND COUNTY OF VOCATIONAL EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2014
<b>ASSETS:</b>				
Cash & Cash Equivalents	\$ 6,171.	\$ 5,550,108.	\$ 5,549,839.	\$ 6,440.
<b>Total Assets</b>	<b>\$ 6,171.</b>	<b>\$ 5,550,108.</b>	<b>\$ 5,549,839.</b>	<b>\$ 6,440.</b>
<b>LIABILITIES:</b>				
Net Payroll	\$ 0.	\$ 3,058,714.	\$ 3,058,714.	\$ 0.
Payroll Deductions and Withholdings	3,014.	2,491,188.	2,491,125.	3,077.
Interfund Payable	809.	2.	0.	811.
Due to Unemployment	2,348.	204.	0.	2,552.
<b>Total Liabilities</b>	<b>\$ 6,171.</b>	<b>\$ 5,550,108.</b>	<b>\$ 5,549,839.</b>	<b>\$ 6,440.</b>

**LONG-TERM DEBT**

**N/A**

## **STATISTICAL SECTION**

## **FINANCIAL TRENDS**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
 (Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 1,935,113.	\$ 2,163,133.	\$ 2,243,703.	\$ 2,394,342.	\$ 2,493,871.	\$ 2,569,769.	\$ 5,289,296.	\$ 5,736,033.	\$ 6,484,922.	\$ 19,667,934.
Restricted	933,346.	2,090,421.	2,125,952.	2,398,155.	1,844,480.	3,514,102.	3,322,775.	3,515,669.	3,163,512.	59,010,485.
Unrestricted	1,793,694.	594,227.	425,850.	480,550.	250,695.	346,268.	314,186.	488,848.	535,819.	(2,973,953.)
<b>Total governmental activities net position</b>	<b>\$ 4,662,153.</b>	<b>\$ 4,847,781.</b>	<b>\$ 4,795,505.</b>	<b>\$ 5,273,047.</b>	<b>\$ 4,589,046.</b>	<b>\$ 6,430,139.</b>	<b>\$ 8,926,257.</b>	<b>\$ 9,740,550.</b>	<b>\$ 10,184,253.</b>	<b>\$ 75,704,466.</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Unrestricted	174,596.	85,902.	76,121.	68,195.	61,311.	78,298.	75,167.	76,655.	73,011.	4,300.
<b>Total business-type activities net position</b>	<b>\$ 174,596.</b>	<b>\$ 85,902.</b>	<b>\$ 76,121.</b>	<b>\$ 68,195.</b>	<b>\$ 61,311.</b>	<b>\$ 78,298.</b>	<b>\$ 75,167.</b>	<b>\$ 76,655.</b>	<b>\$ 73,011.</b>	<b>\$ 4,300.</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 1,935,113.	\$ 2,163,133.	\$ 2,243,703.	\$ 2,394,342.	\$ 2,493,871.	\$ 2,569,769.	\$ 5,289,296.	\$ 5,736,033.	\$ 6,484,922.	\$ 19,667,934.
Restricted	933,346.	2,090,421.	2,125,952.	2,398,155.	1,844,480.	3,514,102.	3,322,775.	3,515,669.	3,163,512.	59,010,485.
Unrestricted	1,988,290.	680,129.	501,971.	548,745.	312,006.	424,566.	389,353.	565,503.	608,830.	(2,969,653.)
<b>Total district net position</b>	<b>\$ 4,836,749.</b>	<b>\$ 4,933,683.</b>	<b>\$ 4,871,626.</b>	<b>\$ 5,341,242.</b>	<b>\$ 4,650,357.</b>	<b>\$ 6,508,437.</b>	<b>\$ 9,001,424.</b>	<b>\$ 9,817,205.</b>	<b>\$ 10,257,264.</b>	<b>\$ 75,708,766.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Vocational										
Other instruction	\$ 2,316,324.	\$ 2,606,388.	\$ 2,589,478.	\$ 2,423,404.	\$ 2,703,218.	\$ 2,368,900.	\$ 2,607,264.	\$ 2,873,324.	\$ 2,942,506.	\$ 3,027,579.
Support Services:	12,862.	19,033.	26,159.	26,252.	22,263.	17,119.	23,674.	25,905.	36,444.	40,887.
Student & instruction related services	664,454.	692,805.	722,274.	642,562.	637,535.	659,426.	620,448.	605,368.	584,216.	783,790.
School administrative services	275,497.	278,857.	301,337.	361,598.	351,090.	360,132.	355,481.	395,229.	528,425.	424,343.
General & business administration services	945,979.	1,012,495.	1,058,717.	931,618.	850,644.	916,706.	897,778.	914,784.	972,632.	957,898.
Plant operations and maintenance	792,673.	878,027.	891,883.	1,010,878.	1,036,960.	874,665.	779,643.	794,814.	911,892.	868,942.
Pupil transportation	5,630,323.	5,926,367.	45,375.	34,931.	25,868.	23,058.	25,913.	32,683.	29,359.	29,975.
Employee benefits	1,186,686.	1,494,729.	1,649,156.	1,502,200.	1,487,401.	1,545,225.	1,673,087.	1,895,663.	1,800,964.	2,571,914.
Special schools	1,005,658.	1,070,405.	1,027,071.	1,101,511.	1,411,993.	1,271,913.	564,872.	553,877.	571,799.	580,139.
Internal service fund	0.	0.	6,394,439.	6,911,155.	6,757,906.	6,071,991.	6,228,546.	6,172,874.	6,839,016.	7,093,537.
NJ Debt Service Assessment	0.	0.	0.	0.	0.	1,800.	1,047.	1,436.	19,288.	19,288.
Total governmental activities expenses	12,830,456.	13,979,106.	14,705,889.	14,946,109.	15,284,878.	14,110,935.	13,777,753.	14,285,947.	15,236,541.	16,388,292.
Business-type activities:										
Enterprise funds	278,485.	289,988.	179,713.	33,420.	81,600.	30,548.	42,447.	36,602.	38,721.	145,965.
Total business-type activities expense	278,485.	289,988.	179,713.	33,420.	81,600.	30,548.	42,447.	36,602.	38,721.	145,965.
Total district expenses	\$ 13,108,941.	\$ 14,269,094.	\$ 14,885,602.	\$ 14,979,529.	\$ 15,366,478.	\$ 14,141,483.	\$ 13,820,200.	\$ 14,302,549.	\$ 15,275,262.	\$ 16,544,257.
Program Revenues										
Governmental Activities:										
Charges for services:										
Internal service fund	\$ 0.	\$ 5,942,909.	\$ 6,452,905.	\$ 6,973,150.	\$ 6,764,817.	\$ 6,078,614.	\$ 6,236,372.	\$ 6,306,124.	\$ 6,948,207.	\$ 7,300,788.
Special schools	0.	559,532.	565,226.	684,655.	985,742.	1,051,401.	645,062.	601,107.	493,026.	549,142.
Operating grants and contributions	0.	663,637.	688,997.	432,365.	437,579.	414,620.	480,923.	607,184.	505,139.	1,225,670.
Total governmental activities program revenues	6,550,887.	7,166,078.	7,707,128.	8,090,170.	8,188,138.	7,544,635.	7,362,357.	7,514,415.	7,946,372.	9,075,600.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services	\$ 152,456.	\$ 215,921.	\$ 172,480.	\$ 18,369.	\$ 58,899.	\$ 31,598.	\$ 21,387.	\$ 21,009.	\$ 15,654.	\$ 33,476.
Enterprise Fund	16,356.	15,247.	15,094.	16,731.	15,805.	15,916.	17,903.	17,061.	19,408.	21,859.
Operating grants and contributions	168,812.	231,168.	187,574.	35,100.	74,704.	47,514.	39,290.	38,070.	35,062.	55,335.
Total business type activities program revenues	\$ 6,719,699.	\$ 7,397,246.	\$ 7,894,702.	\$ 8,125,270.	\$ 8,262,842.	\$ 7,592,149.	\$ 7,401,647.	\$ 7,552,485.	\$ 7,981,434.	\$ 9,130,935.
Total district program revenues										
Net (Expense)/Revenue	\$ (6,279,569.)	\$ (6,813,028.)	\$ (6,998,761.)	\$ (6,855,939.)	\$ (7,096,740.)	\$ (6,566,300.)	\$ (6,415,396.)	\$ (6,751,532.)	\$ (7,290,169.)	\$ (7,322,692.)
Governmental activities	(109,673.)	(58,820.)	7,861.	1,680.	(6,896.)	16,966.	(3,157.)	1,468.	(3,659.)	(90,630.)
Business-type activities	\$ (6,389,242.)	\$ (6,871,848.)	\$ (6,990,900.)	\$ (6,854,259.)	\$ (7,103,636.)	\$ (6,549,334.)	\$ (6,418,553.)	\$ (6,750,064.)	\$ (7,293,828.)	\$ (7,413,322.)
Total district-wide net expense										
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,525,308.	\$ 1,782,635.	\$ 1,743,320.	\$ 2,231,800.	\$ 1,888,000.	\$ 2,100,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.
Grants and contributions	4,248,684.	4,295,733.	4,305,855.	4,201,203.	3,593,894.	4,275,379.	5,640,874.	4,254,057.	4,366,374.	4,499,670.
Tuition received	546,000.	556,900.	590,600.	801,500.	928,084.	1,053,599.	1,080,854.	1,088,635.	1,152,625.	1,290,130.
Investment earnings	89,360.	123,277.	74,340.	45,633.	12,528.	32,495.	23,595.	27,459.	14,180.	18,161.
Nonresident fees	0.	0.	0.	0.	0.	0.	81,000.	96,000.	76,000.	34,000.
Miscellaneous income	42,721.	106,693.	245,716.	58,744.	60,917.	38,094.	86,394.	99,974.	101,293.	169,394.
Prior year adjustments	0.	0.	0.	(960.)	(93.)	(291,398.)	(1,203.)	(300.)	0.	0.
Bond proceeds from Cumberland County	0.	0.	0.	0.	0.	1,332,445.	0.	0.	0.	68,604,770.
Adjustment to carrying value of fixed assets per appraisal	(4,414,377.)	132,328.	(31,822.)	(4,439.)	0.	(133,221.)	0.	0.	0.	0.
Transfers	0.	0.	0.	0.	0.	0.	0.	0.	23,400.	(21,906.)
Other	0.	1,090.	18,476.	0.	0.	0.	0.	0.	0.	0.
Total governmental activities	2,037,696.	6,998,656.	6,946,485.	7,333,481.	6,483,330.	8,407,393.	8,911,514.	7,565,825.	7,733,872.	76,594,219.
Business-type activities:										
Investment earnings	975.	1,216.	834.	0.	12.	21.	26.	20.	15.	13.
Transfers	31,090.	0.	0.	0.	0.	0.	0.	0.	0.	21,906.
Other	0.	(31,090.)	(18,476.)	(9,606.)	0.	0.	0.	0.	0.	0.
Total business-type activities	32,065.	(29,874.)	(17,642.)	(9,606.)	12.	21.	26.	20.	15.	21,919.
Total district-wide	\$ 2,069,761.	\$ 6,968,782.	\$ 6,928,843.	\$ 7,323,875.	\$ 6,483,342.	\$ 8,407,414.	\$ 8,911,540.	\$ 7,565,845.	\$ 7,733,887.	\$ 76,616,138.
Change in Net Position	(4,241,873.)	185,628.	(52,276.)	477,542.	(613,410.)	1,841,093.	2,496,118.	814,293.	443,703.	69,271,527.
Governmental activities	(77,608.)	(88,694.)	(9,781.)	(7,926.)	(6,884.)	16,987.	(3,131.)	1,488.	(3,644.)	(68,711.)
Business-type activities	\$ (4,319,481.)	\$ 96,934.	\$ (62,057.)	\$ 469,616.	\$ (620,294.)	\$ 1,858,080.	\$ 2,492,987.	\$ 815,781.	\$ 440,059.	\$ 69,202,816.
Total district										

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,818,635.	\$ 1,800,421.	\$ 1,860,952.	\$ 2,133,155.	\$ 1,579,480.	\$ 2,341,365.	\$ 2,876,974.	\$ 3,107,092.	\$ 3,725,317.	\$ 4,334,075.
Unreserved	536,955.	457,342.	238,781.	272,329.	53,198.	69,314.	61,753.	78,534.	41,276.	49,677.
<b>Total general fund</b>	<b>\$ 2,355,590.</b>	<b>\$ 2,257,763.</b>	<b>\$ 2,099,733.</b>	<b>\$ 2,405,484.</b>	<b>\$ 1,632,678.</b>	<b>\$ 2,410,679.</b>	<b>\$ 2,938,727.</b>	<b>\$ 3,185,626.</b>	<b>\$ 3,766,593.</b>	<b>\$ 4,383,752.</b>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ (9,785.)	\$ (9,785.)	\$ (13,597.)	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.	\$ 0.
Capital projects fund	290,000.	290,000.	265,000.	265,000.	265,000.	1,247,737.	445,801.	432,503.	(556,117.)	54,676,410.
<b>Total all other governmental funds</b>	<b>\$ 280,215.</b>	<b>\$ 280,215.</b>	<b>\$ 251,403.</b>	<b>\$ 265,000.</b>	<b>\$ 265,000.</b>	<b>\$ 1,247,737.</b>	<b>\$ 445,801.</b>	<b>\$ 432,503.</b>	<b>\$ (556,117.)</b>	<b>\$ 54,676,410.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenue</b>										
Tax levy	\$ 1,525,308.	\$ 1,782,635.	\$ 1,743,320.	\$ 2,231,800.	\$ 1,888,000.	\$ 2,100,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.	\$ 2,000,000.
Tuition charges	546,000.	556,900.	590,600.	801,500.	896,084.	1,007,999.	1,080,854.	1,088,635.	1,152,625.	1,290,130.
Non-resident fees	0.	0.	0.	36,000.	32,000.	45,600.	81,000.	96,000.	76,000.	34,000.
Interest earnings	89,360.	123,277.	74,340.	45,633.	12,528.	32,495.	17,930.	24,208.	12,382.	15,893.
Miscellaneous	581,774.	666,225.	810,942.	707,399.	1,046,659.	1,089,495.	731,456.	701,081.	594,319.	718,538.
State sources	4,103,192.	4,389,322.	4,609,001.	4,263,908.	2,865,825.	4,326,947.	5,669,978.	4,547,560.	4,519,210.	4,633,636.
Federal sources	570,774.	570,048.	385,851.	369,660.	1,165,648.	363,052.	451,819.	313,681.	352,303.	482,443.
<b>Total Revenue</b>	<b>7,416,408.</b>	<b>8,088,407.</b>	<b>8,214,054.</b>	<b>8,455,900.</b>	<b>7,906,744.</b>	<b>8,965,588.</b>	<b>10,033,037.</b>	<b>8,771,165.</b>	<b>8,706,839.</b>	<b>9,174,640.</b>
<b>Expenditures</b>										
Instruction:										
Vocational Instruction	2,172,100.	2,458,934.	2,420,101.	2,234,554.	2,486,108.	2,162,504.	2,320,900.	2,554,694.	2,640,681.	2,710,089.
School sponsored/other instruction	12,862.	19,033.	26,159.	26,252.	22,263.	17,119.	23,674.	25,905.	36,444.	40,887.
Support Services										
Student & instruction related services	664,454.	685,866.	714,303.	633,675.	627,318.	649,713.	606,972.	590,374.	570,012.	768,849.
General administration	945,979.	1,005,556.	1,050,746.	399,354.	389,168.	440,971.	400,661.	405,219.	445,732.	389,990.
School administration services	267,732.	268,449.	289,382.	348,267.	335,765.	345,563.	335,267.	372,737.	507,120.	401,932.
Central services	0.	0.	0.	371,243.	313,915.	314,138.	324,153.	315,783.	324,276.	356,019.
Admin info tech	0.	0.	0.	152,134.	137,344.	151,884.	159,488.	178,788.	188,420.	196,948.
Plant operations and maintenance	791,910.	876,292.	889,890.	1,008,656.	1,034,406.	872,237.	776,274.	791,065.	908,342.	865,208.
Pupil transportation	21,445.	34,458.	33,347.	34,931.	25,868.	23,058.	25,913.	26,357.	29,359.	29,975.
Other support services:										
Employee benefits	1,170,480.	1,491,360.	1,649,156.	1,440,203.	1,532,800.	1,535,502.	1,702,518.	1,895,653.	1,792,442.	1,991,963.
Special schools	1,005,658.	1,070,405.	1,027,071.	1,101,511.	1,411,993.	1,271,913.	564,872.	553,877.	571,799.	580,139.
Capital Outlay	181,169.	276,971.	319,217.	384,812.	362,602.	461,295.	3,065,030.	827,112.	1,123,265.	13,575,818.
<b>Total Expenditures</b>	<b>7,233,789.</b>	<b>8,187,324.</b>	<b>8,419,372.</b>	<b>8,135,592.</b>	<b>8,679,550.</b>	<b>8,245,897.</b>	<b>10,305,722.</b>	<b>8,537,564.</b>	<b>9,137,892.</b>	<b>21,907,817.</b>

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess (Deficiency) of revenues over (under) expenditures	\$ 182,619.	\$ (98,917.)	\$ (205,318.)	\$ 320,308.	\$ (772,806.)	\$ 719,691.	\$ (272,685.)	\$ 233,601.	\$ (431,053.)	\$ (12,733,177.)
Other Financing sources (uses)	0.	0.	0.	0.	0.	1,332,445.	0.	0.	0.	68,604,770.
Proceeds from sale of bonds	0.	1,090.	0.	(960.)	0.	(26,398.)	(1,203.)	0.	0.	0.
Prior Year Adjustment	0.	0.	0.	0.	0.	(265,000.)	0.	0.	0.	0.
Transfers/Cancellations	21.	1,118.	18,499.	0.	0.	0.	0.	0.	23,400.	4,007.
Transfers in	(21.)	(1,118.)	(23.)	0.	0.	0.	0.	0.	0.	(25,914.)
Transfers out	0.	1,090.	18,476.	(960.)	0.	1,041,047.	(1,203.)	0.	23,400.	68,582,863.
Total Other Financing sources (uses)	\$ 182,619.	\$ (97,827.)	\$ (186,842.)	\$ 319,348.	\$ (772,806.)	\$ 1,760,738.	\$ (273,888.)	\$ 233,601.	\$ (407,653.)	\$ 55,849,686.
Net Change in fund balance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Debt service as a percentage of noncapital expenditures

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30	Tuition	Non-Resident Fees	Interest on Investments	Fac./ Land Rent	Prior Years' Refunds	Adult and Evening Fees	Insurance Claim	Sale of Assets	E-Rate	Misc.	Total
2006	\$ 546,000.	\$ 23,200.	\$ 89,339.	\$ 6,000.	\$ 0.	\$ 539,053.	\$ 0.	\$ 0.	\$ 0.	\$ 13,521.	\$ 1,217,113.
2007	556,900.	23,200.	123,249.	6,000.	0.	559,532.	0.	6,553.	0.	26,140.	1,301,574.
2008	590,600.	8,000.	74,340.	8,000.	1,532.	563,226.	0.	148,217.	0.	81,967.	1,475,882.
2009	801,500.	36,000.	45,633.	8,000.	0.	684,655.	0.	0.	0.	14,744.	1,590,532.
2010	896,084.	32,000.	12,528.	8,000.	6,158.	985,742.	0.	0.	0.	41,566.	1,982,078.
2011	1,007,999.	45,600.	32,495.	8,000.	0.	1,051,401.	0.	9,985.	0.	20,109.	2,175,589.
2012	1,080,854.	81,000.	17,930.	17,000.	22,009.	645,062.	0.	0.	23,853.	23,532.	1,911,240.
2013	1,088,635.	96,000.	24,208.	0.	65.	601,107.	0.	0.	26,803.	18,521.	1,855,339.
2014	1,152,625.	76,000.	12,382.	0.	35,976.	493,026.	0.	0.	2,027.	61,275.	1,833,311.
2015	1,290,130.	34,000.	11,896.	12,000.	0.	549,142.	102,416.	0.	40,086.	9,146.	2,048,806.

Source: District records

## **REVENUE CAPACITY**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levies For and Collections	Collected Within the Fiscal Year of the Levy (a)		Collection in Subsequent Year
		Amount	Percentage of Levy	
2006	\$ 1,436,085.	\$ 1,436,085.	100.00%	
2007	1,259,048.	1,259,048.	100.00%	
2008	1,782,635.	1,782,635.	100.00%	
2009	2,231,800.	2,231,800.	100.00%	
2010	1,888,000.	1,888,000.	100.00%	
2011	2,100,000.	2,100,000.	100.00%	
2012	2,000,000.	2,000,000.	100.00%	
2013	2,000,000.	2,000,000.	100.00%	
2014	2,000,000.	2,000,000.	100.00%	
2015	2,000,000.	2,000,000.	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F Form)

- a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipal is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the the school year.

## **DEBT CAPACITY**

**N/A**

**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

CUMBERLAND COUNTY BOARD OF VOCATION EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income ( c )	Unemployment Rate (d)
2005	152,489	4,313,890,548	28,635	6.20%
2006	153,910	4,600,677,720	29,892	6.90%
2007	155,402	4,828,029,336	31,068	6.50%
2008	156,784	5,115,705,136	32,629	8.00%
2009	157,745	5,275,781,525	33,445	12.70%
2010	157,200	5,407,522,800	34,399	13.30%
2011	157,607	5,581,336,691	35,413	13.40%
2012	157,794	5,596,637,592	35,468	14.10%
2013	157,153	5,630,006,225	35,825	12.20%
2014	157,389	N/A	N/A	9.90%

**Source:**

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income has been estimated based upon the municipal population and per capita personal income presented
- c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- d Unemployment data provided by the N.J. Dept. of Labor and Workforce Development

## **OPERATING INFORMATION**

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Vocational	42.42	36.00	40.00	43.00	45.40	40.00	40.00	43.00	38.20	41.00
Support Services:										
General Administrative Services	10.00	10.00	10.00	9.00	9.00	9.00	9.00	8.00	8.00	9.00
School Administrative Services	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.07	9.00	8.00
Other Administrative Services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Administrative Information Technology	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Plant Operations and Maintenance	6.50	6.50	5.50	6.50	6.00	6.00	6.00	6.75	6.75	6.75
Special Schools Fund 13	8.20	7.80	7.80	12.70	10.60	10.00	10.00	8.00	8.00	6.50
Food Service	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.10	0.00	0.00
<b>Total</b>	<b>84.62</b>	<b>77.80</b>	<b>80.80</b>	<b>88.70</b>	<b>88.50</b>	<b>82.50</b>	<b>82.50</b>	<b>80.92</b>	<b>74.95</b>	<b>75.25</b>

Source: District Personnel Records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change In Average Daily Enrollment	Student Attendance Percentage
						CCTEC					
2006	585	\$ 7,052,620.	\$ 12,056.	0.65%	42.4	13.70		473.7	427.4	4.96%	90.23%
2007	608	7,910,353.	13,010.	7.91%	36.0	16.88		458.8	420.3	(3.15)%	91.61%
2008	521	8,100,155.	15,547.	19.50%	41.0	12.71		462.8	416.7	0.87%	89.89%
2009	465	7,750,780.	16,668.	7.21%	38.0	12.24		413.7	372.2	(10.61)%	89.97%
2010	582	8,316,948.	14,290.	(14.27)%	31.0	18.77		301.7	283.0	(27.07)%	93.80%
2011	657	7,784,602.	11,848.	(17.09)%	32.0	20.53		342.2	321.8	13.42%	94.04%
2012	601	7,240,692.	12,048.	1.69%	23.0	26.13		309.3	284.3	(9.61)%	91.90%
2013	640	7,710,452.	12,048.	0.00%	24.0	25.00		305.8	281.1	(1.13)%	91.92%
2014	652	8,014,627.	12,292.	2.02%	30.0	25.40		321.9	297.8	5.26%	92.51%
2015	591	8,331,999.	14,099.	14.70%	31.0	24.53		318.2	293.4	(1.16)%	92.21%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.  
 Enrollment does not include adult enrollment.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other										
CCTEC (1969)										
Square Feet	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330	120,330
Capacity (Students)	505	505	505	505	505	505	505	505	505	505
Enrollment	585	608	521	465	546	657	601	640	652	591

Number of Schools at June 30, 2015:  
 Other = 1

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-xxx

\*School Facilities

Project #(s)	<u>School</u>	<u>Total</u>
2006	\$ 182,019.	\$ 182,019.
2007	195,115.	195,115.
2008	253,981.	253,981.
2009	288,243.	288,243.
2010	303,393.	303,393.
2011	183,934.	183,934.
2012	206,159.	206,159.
2013	165,379.	165,379.
2014	247,836.	247,836.
2015	259,331.	259,331.
Total School Facilities	\$ 2,285,390.	\$ 2,285,390.

\* School facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2014  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSBAIG		
Property-Blanket Building & Contents	\$26,464,842.	\$ 5,000.
Comprehensive General Liability	11,000,000.	
Comprehensive Automobile Liability	11,000,000.	
Blanket Extra Expense	50,000,000.	5,000.
Blanket Valuable Papers & Records	10,000,000.	5,000.
Business Income/Tuition	1,000,000.	5,000.
Earthquake	50,000,000.	
Terrorism	1,000,000.	
All Flood Zones	75,000,000.	10,000.
Computers and Scheduled Equipment		
Data Processing Equipment	1,050,000.	1,000.
Boiler and Machinery		
Property Damage	100,000,000.	5,000.
Errors & Omissions		
Errors & Omissions Policy Coverage A	6,000,000.	5,000.
Errors & Omissions Policy Coverage B	100,000.	5,000.
Public Officials Bond		
Walter Pudelko, Treasurer	195,000.	1,000.
Gene Mercoli, Business Administrator	175,000.	1,000.
Public Employee Dishonesty	100,000.	500.
Forgery & Alteration	100,000.	500.
Money & Securities	100,000.	500.
Counterfeit	100,000.	500.
Computer Fraud	100,000.	500.
Workers Compensation - NJSBAIG	2,000,000.	
Flood - American Bankers Insurance Company of Florida	500,000.	1,250.
Student Accident: Basic	5,000,000.	
Catastrophic	500,000.	25,000.

## **SINGLE AUDIT SECTION**

K-1

REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Honorable President and  
Members of the Board of Education  
Cumberland County Board of Vocational Education  
County of Cumberland, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cumberland County Board of Vocational Education in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Cumberland County Board of Vocational Education's basic financial statements, and have issued our report thereon dated January 11, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cumberland County Board of Vocational Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cumberland County Board of Vocational Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cumberland County Board of Vocational Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cumberland County Board of Vocational Education 's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC

January 11, 2016

K-2

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04

Independent Auditor's Report

Honorable President and  
Members of the Board of Education  
Cumberland County Board of Vocational Education  
County of Cumberland, New Jersey

Report on Compliance for Each Major State Program

We have audited the Cumberland County Board of Vocational Education, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Cumberland County Board of Vocational Education's major federal and state programs for the year ended June 30, 2015. Cumberland County Board of Vocational Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cumberland County Board of Vocational Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Cumberland County Board of Vocational Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Cumberland County Board of Vocational Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Cumberland County Board of Vocational Education, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Cumberland County Board of Vocational Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cumberland County Board of Vocational Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and the New Jersey State Aid/Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cumberland County Board of Vocational Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Samuel A. Delp, Jr.  
Public School Accountant, #745  
Triantos & Delp  
Certified Public Accountants, LLC

January 11, 2016

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Bal.	Accounts Receivable	Balance at June 30, 2015 Deferred Revenue	Due to Grantor											
U.S. Department of Education Passed Through State Department of Education: General Fund:																								
Total General Fund																								
U.S. Department of Education Passed Through State Department of Education: Special Revenue Fund:																								
Title I, Part A	84.010	NCLB-099515	\$ 197,895.	7/1/14 - 6/30/15	0.	0.	162,986.	(260,088.)	0.	0.	(97,102.)	0.	0.											
Title I, Part A	84.010	NCLB-099514	210,310.	7/1/13 - 6/30/14	(65,269.)	0.	53,659.	0.	1,610.	0.	0.	0.	0.											
Title II, Part A	84.168	NCLB-099515	3,710.	7/1/14 - 6/30/15	0.	0.	0.	(3,710.)	0.	0.	(3,710.)	0.	0.											
Title II, Part A	84.168	NCLB-099514	7,483.	7/1/13 - 6/30/14	(7,483.)	0.	7,483.	0.	0.	0.	0.	0.	0.											
I.D.E.A. Part B, Basic	84.027	FT-099515	118,377.	7/1/14 - 6/30/15	0.	0.	72,806.	(106,517.)	0.	0.	(33,711.)	0.	0.											
I.D.E.A. Part B, Basic	84.027	FT-099514	92,197.	7/1/13 - 6/30/14	(65,695.)	0.	55,696.	0.	(1.)	0.	0.	0.	0.											
Perkins-Secondary	84.048	PERK-099515	78,112.	7/1/14 - 6/30/15	0.	0.	78,112.	(78,112.)	0.	0.	0.	0.	0.											
Perkins-Secondary	84.048	PERK-099514	52,321.	7/1/13 - 6/30/14	(26,857.)	0.	26,857.	0.	0.	0.	0.	0.	0.											
REAP	84.358A		34,088.	7/1/14 - 9/30/15	0.	0.	0.	(12,097.)	0.	0.	(12,097.)	0.	0.											
REAP	84.358A		39,642.	7/1/13 - 9/30/14	0.	0.	39,642.	(39,642.)	0.	0.	0.	0.	0.											
Passed-through County of Cumberland:																								
21st Century	84.287		2,766.	7/1/14 - 6/30/15	0.	0.	2,766.	(2,766.)	0.	0.	0.	0.	0.											
Total Special Revenue Fund																								
U.S. Department of Agriculture Passed Through State Department of Education Enterprise Fund:																								
Food Distribution Program	10.550	N/A	2,413.	7/1/14 - 6/30/15	0.	0.	2,413.	(2,413.)	0.	0.	0.	0.	0.											
National School Breakfast Program	10.553	N/A	6,257.	7/1/14 - 6/30/15	0.	0.	5,820.	(6,257.)	0.	0.	(437.)	0.	0.											
National School Breakfast Program	10.553	N/A	5,484.	7/1/13 - 6/30/14	(468.)	0.	468.	0.	0.	0.	0.	0.	0.											
National School Lunch Program	10.555	N/A	12,918.	7/1/14 - 6/30/15	0.	0.	12,060.	(12,918.)	0.	0.	(858.)	0.	0.											
National School Lunch Program	10.555	N/A	11,442.	7/1/13 - 6/30/14	(1,067.)	0.	1,067.	0.	0.	0.	0.	0.	0.											
Total Enterprise Fund																								
Total Federal Financial Awards																								
											\$	0.	\$	521,835.	\$	(524,520.)	\$	1,609.	\$	0.	\$	(147,915.)	\$	0.

The Accompanying Notes to Schedules of Expenditures of Federal Awards and Financial Assistance are an Integral Part of this Schedule

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue (Accts Rec.)	Balance at June 30, 2014		Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances
			From	To		Due to Grantor	Carryover/ (Walkover) Amount			
State Department of Education:										
General Fund:										
Equalization Aid	15-495-034-5120-078	\$ 3,734,073.	07/01/14	06/30/15	\$ 0.	\$ 0.	\$ 3,734,073.	\$ (3,734,073.)	\$ 0.	
Special Education Categorical Aid Security Aid	15-495-034-5120-089	163,569.	07/01/14	06/30/15	0.	0.	163,569.	(163,569.)	0.	
Security Aid	15-495-034-5120-084	20,801.	07/01/14	06/30/15	0.	0.	20,801.	(20,801.)	0.	
PARCC Readiness Aid	15-495-034-5120-098	3,730.	07/01/14	06/30/15	0.	0.	3,730.	(3,730.)	0.	
Per Pupil Growth Aid	15-495-034-5120-097	3,730.	07/01/14	06/30/15	0.	0.	3,730.	(3,730.)	0.	
On Behalf TPAF Pension	15-495-034-5095-001	399,771.	07/01/14	06/30/15	0.	0.	399,771.	(399,771.)	0.	
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-002	216,638.	07/01/14	06/30/15	0.	0.	206,494.	(216,638.)	0.	
Reimbursed TPAF Social Security Contrib.	14-495-034-5095-002	208,588.	07/01/13	06/30/14	(9,691.)	0.	9,691.	0.	0.	
Total General Fund					(9,691.)	0.	4,541,859.	(4,542,312.)	0.	
Special Revenue Fund:										
Perkins Post-Secondary		92,070.	07/01/14	06/30/15	0.	0.	92,070.	(92,070.)	0.	
Perkins Post-Secondary		93,136.	07/01/13	06/30/14	(87,349.)	0.	87,349.	0.	0.	
Perkins Post-Secondary		110,160.	07/01/12	06/30/13	0.	130.	0.	0.	(130.)	
Literacy CTE		6,000.	07/01/13	06/30/14	(6,000.)	0.	6,000.	0.	0.	
Total Special Revenue Fund					(93,349.)	130.	185,419.	(92,070.)	(130.)	
Capital Project Fund:										
Educ Facilities Const & Financing Act. School Addition & Renovation	0995-030-09-1001	2,071,663.			(296,464.)	0.	0.	0.	0.	
Total Capital Project Fund					(296,464.)	0.	0.	0.	0.	
State Department of Agriculture Enterprise Fund:										
National School Lunch Program (State Share)	15-100-010-3350-023	271.	07/01/14	06/30/15	0.	0.	254.	(271.)	0.	
National School Lunch Program (State Share)	14-100-010-3350-023	253.	07/01/13	06/30/14	(22.)	0.	22.	0.	0.	
Total Enterprise Fund					(22.)	0.	276.	(271.)	0.	
Total State Financial Assistance					\$ (399,526.)	\$ 130.	\$ 4,727,554.	\$ (4,634,653.)	\$ (130.)	

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015			MEMO	
			From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education:									
General Fund:									
Equalization Aid	15-495-034-5120-078	\$ 3,734,073.	07/01/14	06/30/15	\$ 0.	\$ 0.	\$ 0.	\$ 371,474.	\$ 3,734,073.
Special Education Categorical Aid	15-495-034-5120-089	163,569.	07/01/14	06/30/15	0.	0.	0.	16,357.	163,569.
Security Aid	15-495-034-5120-084	20,801.	07/01/14	06/30/15	0.	0.	0.	2,080.	20,801.
PARCC Readiness Aid	15-495-034-5120-098	3,730.	07/01/14	06/30/15	0.	0.	0.	373.	3,730.
Per Pupil Growth Aid	15-495-034-5120-097	3,730.	07/01/14	06/30/15	0.	0.	0.	373.	3,730.
On Behalf TPAF Pension	15-495-034-5095-001	399,771.	07/01/14	06/30/15	0.	0.	0.	0.	399,771.
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-002	216,638.	07/01/14	06/30/15	(10,144.)	0.	0.	0.	216,638.
Reimbursed TPAF Social Security Contrib.	14-495-034-5095-002	208,588.	07/01/13	06/30/14	0.	0.	0.	390,657.	4,542,312.
Total General Fund					(10,144.)	0.	0.	390,657.	4,542,312.
Special Revenue Fund:									
Perkins Post-Secondary		92,070.	07/01/14	06/30/15	0.	0.	0.	0.	92,070.
Perkins Post-Secondary		93,136.	07/01/13	06/30/14	0.	0.	0.	0.	0.
Perkins Post-Secondary		110,160.	07/01/12	06/30/13	0.	0.	0.	0.	0.
Literacy CTE		6,000.	07/01/13	06/30/14	0.	0.	0.	0.	0.
Total Special Revenue Fund					0.	0.	0.	0.	92,070.
Capital Project Fund:									
Educ Facilities Const & Financing Act.									
School Addition & Renovation	0995-030-09-1001	2,071,663.			(296,464.)	0.	0.	0.	1,570,689.
Total Capital Project Fund					(296,464.)	0.	0.	0.	1,570,689.
State Department of Agriculture									
Enterprise Fund:									
National School Lunch Program (State Share)	15-100-010-3350-023	271.	07/01/14	06/30/15	(17.)	0.	0.	0.	271.
National School Lunch Program (State Share)	14-100-010-3350-023	253.	07/01/13	06/30/14	0.	0.	0.	0.	0.
Total Enterprise Fund					(17.)	0.	0.	0.	271.
Total State Financial Assistance					\$ (306,625.)	\$ 0.	\$ 0.	\$ 390,657.	\$ 6,205,342.

The Accompanying Notes to Schedules of Expenditures of State Awards and Financial Assistance are an Integral Part of this Schedule.

**Cumberland County Board of Vocational Education**  
**Notes to the Schedules of Expenditures of Awards and Financial Assistance**  
**June 30, 2015**

NOTE 1.GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Cumberland County Board of Vocational Education. The Board of Education is defined in Note 1 to the Board’s basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2.BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board’s basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3.RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenues is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more deferred June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(746) for the general fund and \$(20,490) for the special revenue fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0.	\$4,541,566.	\$4,541,566.
Special Revenue Fund	482,443.	92,070.	574,513.
Food Service Fund	21,588.	271.	21,859.
Total Financial Assis.	<u>\$ 504,031.</u>	<u>\$4,633,907.</u>	<u>\$5,137,938.</u>

**Cumberland County Board of Vocational Education**  
**Notes to the Schedules of Expenditures of Awards and Financial Assistance**  
**June 30, 2015**

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Section I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified?  Yes  No
- 2. Significant Deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to general purpose financial statements noticed?  Yes  No

**Federal Awards**

Internal Control over major programs:

- 1. Material weakness(es) identified?  Yes  No
- 2. Significant Deficiencies identified that are considered to be material weaknesses?  Yes  None Reported

Type of auditor’s report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?  Yes  No

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.010	Title I
84.168	Title II

Dollar threshold used to distinguish between type A and type B programs: \$300,000.

Auditee qualified as low-risk auditee?  Yes  No

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(Continued)

*Section I – Summary of Auditor’s Results*

(Continued)

**State Awards**

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000.

Auditee qualified as low risk auditee?

x Yes      \_\_\_ No

Type of auditor’s report issued on compliance for major programs:

Unmodified

Internal Control over major programs:

- |    |  |         |                            |
|----|--|---------|----------------------------|
| 1. | Material weakness(es) identified?  | ___ Yes | ___ <u>x</u> No            |
| 2. | Significant Deficiencies identified that are not considered to be material weaknesses? | ___ Yes | ___ <u>x</u> None reported |

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?

\_\_\_ Yes      \_\_\_ x No

Identification of major programs:

<b><u>GMIS Number(s)</u></b>	<b><u>Name of State Program</u></b>
495-34-5120-078	Equalization Aid
495-34-5120-089	Special Education Aid
495-34-5120-084	Security Aid
495-34-5120-098	PARCC Readiness Aid
495-34-5120-097	Per Pupil Growth Aid

*Section II – Financial Statement Findings*

None

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs*

**Federal Awards**

None

**State Awards**

**Finding:**

None

**CUMBERLAND COUNTY BOARD OF VOCATIONAL EDUCATION**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**STATUS OF PRIOR YEAR FINDINGS**

None